



**Review of “Development Viability Report”
Tavistock Works, Tavistock Road, Yiewsley,
Middlesex UB7 7QX**

Prepared for
London Borough of Hillingdon

August 2026

Contents

1	Introduction	3
2	Description of the Development	5
3	Methodology	6
4	Review of assumptions	7
5	Appraisal results	12
6	Conclusions	14

Appendices

Appendix 1 - Argus Appraisal proposed Development
Appendix 2 - Stace Cost Plan Review

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1 Introduction

London Borough of Hillingdon ('the Council') has commissioned Quintic Advisory ("Quintic") to advise on a viability assessment of the proposed Development ("the Development") at Tavistock Works, Tavistock Road, Yiewsley, Middlesex UB7 7QX ("the Site") submitted by Home Consultancy Ltd ("HC") on behalf of Linea UB7 Ltd ("the Applicant").

This report provides an objective assessment of HC's Viability Assessment Report to determine whether the affordable housing offer and Section 106 contributions as proposed have been optimised.

1.1 Quintic Advisory

Quintic Advisory is an independent firm of chartered surveyors, specialising in advice on development viability in planning. Its five partners were previously at BNP Paribas Real Estate's development viability team and have extensive experience of advising on a range of projects across the country.

Quintic Advisory has a wide ranging client base, acting for international companies and individuals, banks and financial institutions, private companies, public sector corporations, government departments, local authorities and registered providers ('RPs').

The full range of services includes:

- Planning obligations and Section 106 Negotiation
- Viability Appraisals
- Disposal & Acquisition of S106 Affordable Housing
- Expert Witness
- CIL Viability Evidence Base Production and Advice
- Local Plan Viability Evidence Base Production and Advice
- Affordable Housing Policy Viability Testing
- Masterplan Viability
- Estate redevelopment
- Enabling development for heritage cases
- Option Appraisals
- Valuation

This report has been prepared by Nicholas Pell MRICS, RICS Registered Valuer and reviewed by Anthony Lee MRTPI, MRICS, RICS Registered Valuer.

The firm has extensive experience of advising landowners, developers, local authorities and RPs on the value of affordable housing and economically and socially sustainable residential developments. Anthony Lee was a member of the working group under the chairmanship of Sir John Harman that drafted '*Viability testing local plans: Advice for planning practitioners*'. He was also a member of the (then) MHCLG '*Developer Contributions Expert Panel*' which advised on the viability section of the 2019 PPG. He is a member of the RICS Working Group on the valuation of affordable housing.

In addition, we were retained by Homes England to advise on better management of procurement of affordable housing through planning obligations.

1.2 Report structure

This report is structured as follows:

- In Section two we provide a brief description of the Development;
- In Section three, we describe the methodology that the Applicant has adopted and any variations in our approach;
- In Section four, we review the assumptions the Applicant has adopted, and where necessary, explains why we have adopted alternative assumptions in our appraisals;

- In Section five, we set out the results of the appraisals;
- Finally, in Section six, we draw conclusions from the analysis.

1.3 Disclaimer

In preparing this report and the supporting appraisals, we have given full regard to the RICS Practice Statement ('PS') *'Assessing viability in planning under the National Planning Policy Framework for England 2019'* (first edition, March 2021). However, paragraph 2.2.3 of the PS acknowledges that statutory planning guidance takes precedence over RICS guidance. Conflicts may emerge between the PS and the PPG and/or other adopted development plan documents. In such circumstances, we have given more weight to the PPG and development plan documents.

In carrying out this assessment, we have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information.

We are not aware of any conflicts of interest in relation to this assessment.

In preparing this report, we have not agreed any 'performance-related' or 'contingent' fees.

We address this report to London Borough of Hillingdon only and it should not be reproduced without our prior consent.

2 Description of the Development

2.1 Site Description

The Application Site is located within the London Borough of Hillingdon. The Site is located on Tavistock Road to the south-east of Winnock Road and south-west of Bentinck Road. West Drayton Station is within 0.2 miles providing access to the Elizabeth Line, National Railway Network and onward journeys via the wider London Underground Network. The Site currently comprises office space with the surrounding properties in a mix of commercial, industrial and residential uses.

2.2 Proposed Development and background

According to the planning application, the proposed Development is for:

“Demolition of existing building and replacement with a 6-storey building comprising residential units, landscaping and amenity space.”

HC conclude that *“the application scheme does not generate a surplus over the benchmark land value to fund affordable housing on site and that the Council should seek to reduce planning obligations in order to improve the viability of this scheme”*. Indeed, HC state that the proposed Development with 100% private housing generates a deficit of -£2,468,079 against the viability benchmark.

HC have set out a breakdown of the proposed Development in Section 3 of their report, which we have included below for ease of reference.

Table 2.2.1: Proposed Development areas

Unit type	Number of bedrooms	Number of persons	Number of units
Apartment	1	1	8
Apartment	1	2	9
Apartment	2	3	4
Apartment	2	4	6
Apartment	3	4	4
Total			31

3 Methodology

HC have undertaken their appraisal using Argus Developer ("Argus").

We have also undertaken our appraisals using Argus. Argus is a commercially available development appraisal package in widespread use throughout the development industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuations. Further details can be accessed at www.argussoftware.com.

Argus is a cashflow backed model which allows the finance charges to be accurately calculated over the development period. The difference between the total development value and total costs equates to either the profit (if the land cost has already been established) or the residual value. The model is normally set up to run over a development period from the date of the commencement of the project and is allowed to run until the project completion, when the development has been constructed and is occupied.

Essentially, such models all work on a similar basis:

- Firstly, the value of the completed development is assessed.
- Secondly, the development costs are calculated, using either the profit margin required or land costs (if, indeed, the land has already been purchased).

The difference between the total development value and total costs equates to either the profit (if the land cost has already been established and inputted as a cost) or the Residual Land Value ('RLV').

The output of the appraisal is a RLV, which is then compared to an appropriate benchmark, typically based on the subject site's Existing Use Value ('EUUV') of the site plus, where appropriate, a landowner's premium. The PPG requires that the premium should reflect site-specific circumstances and provide the landowner with a reasonable incentive to bring the site forward for development, in comparison with other options available to them.

Development convention and planning guidance suggests that where a development proposal generates a RLV that is higher than the benchmark, it can be assessed as financially viable and likely to proceed. If the RLV generated by a development is lower than the benchmark, clearly a landowner would sell the site for existing or alternative use or might delay development until the RLV improves.

4 Review of assumptions

In this section, we review the assumptions adopted by HC in their assessment of the proposed development.

4.1 Gross Development Value (“GDV”)

4.1.1 Market Commentary

Since early 2020, the global economy has been subject to a degree of turbulence arising from the consequences of the Covid-19 pandemic; subsequent supply chain and labour market issues; and increases in energy prices resulting from Russia’s invasion of Ukraine. The UK economy has also been adversely affected by its departure from the European Union and the resulting impact on trade and tourism, as well as the government’s September 2022 ‘Fiscal Event’. The combined effect resulted in a sharp increase in inflation to 10.7% in October 2022. In response, the Bank of England (‘BoE’) increased its base rate from 0.1% in March 2020 to 5.25% in September 2023. Inflation (as measured by the Consumer Price Index (‘CPI’)) subsequently fell from a high of over 10% in October 2022 to 1.7% in September 2024 but increased again and stood at 2.8% in April 2026. The medium to long term impacts on inflation as a consequence of USA and Israeli strikes on Iran remains to be seen.

The BoE’s November 2023 Monetary Policy Report identified *“a market-implied path for Bank Rate that remains around 5.25% until 2024 Q3 and then declines gradually to 4.25% by the end of 2026, a lower profile than underpinned the August projections”*. The BoE’s Monetary Policy Committee (‘MPC’) has subsequently reduced the base rate from 5.25% to 4.5% in February 2025, with three further rate cuts to 4.25% in June 2025, 4% in August 2025 and 3.75% in December 2025 where it remains as at May 2026. Again, the medium to long term impacts on of USA and Israeli strikes on Iran as it relates to the Base rate and mortgage lending rates remains to be seen.

Despite the impact of these events, the UK housing market outperformed expectations between 2020 and mid-2022 and has subsequently remained reasonably resilient despite increasing costs of borrowing.

In its April 2026 House Price Index release, Nationwide reported that annual UK house price growth increased to 3.0% in April, from 2.2% in March. Commenting Nationwide’s Chief Economist, Robert Gardener, observed that

“UK annual house price growth picked up to 3.0% in April, from 2.2% in March. Prices increased by 0.4% month on month, after taking account of seasonal effects.

Despite the uncertainty caused by developments in the Middle East and the subsequent rise in energy prices, the UK housing market has continued to regain momentum following the slowdown recorded around the turn of the year.

This is somewhat surprising given that indicators of consumer confidence have weakened noticeably. GfK’s headline index has fallen to its lowest level since late-2023, reflecting households’ more pessimistic views of the economic outlook and their own financial position over the year ahead.”

The April 2026 Halifax House Price Index report published in May 2026 reports that house prices reduced by -0.1% in April, following a 0.5% fall in February. The annual rate of growth also slowed from +0.8% in March to +0.4% in April.

Commenting on the figures Halifax’s Head of Mortgages, Amanda Bryden, said,

“Average house prices showed little movement in April, edging down by just -0.1% compared to March, with the typical property now costing £299,313. The pace of annual growth also eased to +0.4%.

After a strong start to the year, recent global developments have added a greater degree of uncertainty to the outlook. In particular, higher energy prices have fed into inflation expectations, prompting markets to reassess the path for interest rates – a shift that has already pushed up borrowing costs for many buyers.

This understandably leads to more caution among some households, with the cost-of-living once again front of mind and extra thought being given to planned property moves.

Even so, the housing market continues to display the resilience that has been its hallmark in recent years. While activity is likely to cool in the near term, the underlying picture remains one of relative stability, supported by wage growth that continues to outpace house price inflation.

Another important factor is that the majority of existing homeowners are on fixed-rate mortgages, meaning they are largely insulated from short term changes in interest rates.

A slower pace of house price growth may be disappointing news for existing homeowners. However, for those looking to step onto the property ladder, stable prices are helpful, even if higher mortgage rates mean affordability remains stretched. The average price paid by first time buyers has fallen slightly to £238,908, its lowest level so far this year.”

In their May Housing Market Update, Savills reflect on the April 2026 Nationwide report that,

“Annual growth to April was 3.0%, up from 2.2% in March, and was the highest level since May 2025. This momentum will fade over the coming months, however, as inflation and rate rises prompt discretion from buyers”.

Savills report that the approvals for remortgaging have reached a 4-year high, with “51,300 approvals for remortgaging in March 2026, the highest monthly figure since October 2022”. They indicate that this rise in mortgage rates is reminiscent of Autumn 2022, which has “prompted homeowners to act promptly to secure the best rate. Rates are comparable to those two years ago but may be a shock for buyers coming off a 5-year fixed term. Mortgage approvals for new house purchases remained resilient, up 1.3% from February. The threat of further rate rises is spurring some immediate action in the short-term where buyers have been able to lock in lower rates”.

They go on to consider that the “more forward-looking indicators show some signs of a slowdown in market activity”. They indicate that “In April, sales agreed (net of fall throughs) fell by -4.6% on the previous month according to TwentyCI, although they remain up 2.6% on the 2017-19 average. In March, RICS reported that surveyors have seen the lowest level of new buyer enquiries since August 2023, alongside greater levels of unsold stock and downward pressure on prices because of recent mortgage rate hikes. These indicators suggest a slowdown in market activity will be reflected in more lagged transaction and mortgage approval metrics over the coming months.”

Savills also note that the Bank of England Monetary Policy Committee voted to hold the base rate at 3.75% on 30 July and is continuing to monitor inflationary risks. Savills suggest that “While forecasting rates to be held until Q3 2027, Oxford Economics notes that continuing geopolitical uncertainty and the secondary inflationary impacts of higher energy costs in the wider economy has increased the risk of a rate increase in the summer. If rates do increase, the higher costs for borrowers over the longer term will impact affordability.”

The latest five-year forecast from Savills was published on 8 June 2026. Their overall forecast growth for London stands at 10.6% between 2026 and 2030, and 18.5% for the UK as whole.

4.1.2 Private residential values

The proposed Development includes 31 residential units, all of which are proposed as private housing tenure. HC have assumed an average value of £650 per square foot with the average unit size extending to 625 square feet.

HC have set out their evidence in Appendix E of their report in addition to further justification in the wider report. We have reviewed the evidence provided by HC in addition to undertaking further research into the local market through using online research facilities. There is a dearth of new build evidence within close proximity to the Application Site; however, after review of second hand transactional evidence within the local area and application of a new build premium, we consider the average value of £650 per square foot to be reasonable in the current market.

4.1.3 Affordable housing revenue

HC have not undertaken an appraisal including affordable housing; therefore, we are unable to comment upon their assumptions.

Where applicable, to value the affordable housing units, we have used a bespoke model specifically created for this purpose. This model takes into account factors such as standard levels for individual RPs management and maintenance costs; finance rates currently obtainable in the sector, and a view on the amount of grant that may be obtainable.

The 'Affordable Homes Programme 2026 – 2031' document provides a clear indication that Section 106 schemes are unlikely to be allocated Grant funding, except in exceptional circumstances. We therefore consider it imprudent to assume that Grant will be secured. Therefore, our assessment relies upon the assumption that none is provided.

For rented tenures, the model operates a 40-year discounted cashflow in order to arrive at a net present value of the units today. For the shared ownership tenure, the model values a percentage of the Initial Tranche sold to the purchaser and capitalises the net rent on the unsold equity. The rent on the retained equity is set at a level at which total housing costs (ie. the rent plus mortgage on the initial tranche) do not exceed 40% of net household incomes.

4.2 Development costs

4.2.1 Construction costs

To establish construction costs for the proposed Development, HC have relied upon a cost plan prepared by Rosewood Project Services ("RPS") who have concluded the total construction cost should equate to £9,318,015 reflecting £353.79 per square foot (inclusive of contingency).

The Council have instructed Stace LLP ("Stace") to undertake a review of the RPS cost plan. Stace have concluded that the total cost of £9,318,015 is above what is reasonable in the current market. Therefore, we have adopted a reduced cost of £7,725,745 (inclusive of contingency) within our appraisal based upon advice received from Stace.

A copy of the Stace cost plan review can be found in Appendix 2.

4.2.2 Contingency

HC have included a contingency allowance of 5% within their appraisal. We consider this allowance to be reasonable and have therefore adopted the 5% contingency within our appraisal.

For the avoidance of doubt, due to the contingency being included within our total cost, we have not included an allowance separately within our appraisal.

4.2.3 Professional Fees

HC have assumed a professional fees allowance of 10% within their appraisal. They have not provided any justification in support of their assumed allowance.

We have taken factors into account such as site constraints and scheme complexity and do not consider the allowance of 10% to be above what is reasonable for this scheme. After due consideration, we have assumed a professional fees allowance of 10% within our appraisal.

4.2.4 Building Safety Levy

HC have included a building safety levy payment of £67,778 within their appraisal which we have adopted on a 'subject to confirmation' basis.

4.2.5 Planning obligations

HC have assuming the following planning obligation payments within their appraisal:

- Mayoral CIL: £151,264;
- Borough CIL: £325,967; and
- Section 106 payment: £68,408.

We have adopted the above payments on a 'subject to confirmation' and 'without prejudice' basis pending discussions with the Council.

4.2.6 Finance rate

HC have assumed a finance rate of 7% within their appraisal.

We have assumed an all-inclusive finance rate of 7% within our assessment. Although a bank would not provide 100% of the funding required for the proposed Development, it is conventional to assume finance on all cost in order to reflect the opportunity cost (or in some cases the actual cost) of committing equity to the project.

4.2.7 Disposal costs

HC have assumed a total disposal cost (including marketing sales agency fees and legal fees) of 2% of GDV within their appraisal. We do not consider this allowance to be above what is reasonable in the current market; therefore, we have adopted the 2% of GDV within our appraisal.

4.2.8 Developer's return

HC have assumed a profit level of 17.5% of GDV for the private residential units within their appraisal.

We have taken into account the uncertainty that is now apparent after the United Kingdom's departure from the European Union and the potential risks associated with our future trading relationships with other countries now that the transition period has expired, in addition to the risks associated with this specific development.

We have also taken into account the supply chain and cost inflation issues, the geopolitical situation which has resulted in an increase in commodities prices and high interest rates. We have taken into account the development timetable for the Application Scheme in addition to the comments above.

Our assessment of profit is based upon the perceived risks associated with the proposed Development. In reaching a conclusion on the profit level, we have taken into account the price point of the units included in the scheme in addition to the development timetable. We consider that there will be sufficient demand for the units at the value assumed. We consider a profit level of 17.5% of GDV for the build for sale element to be reasonable reflecting the risk profile of the scheme.

Where applicable, we have assumed a profit of 6% of GDV for the affordable housing element of the scheme. The reduced profit on affordable housing reflects the risk of delivery. The developer will contract with an RP prior to commencement of construction and they are – in effect – acting as a contractor, with their risk limited to cost only. After contracting with the RP, there is no sales risk. In contrast, the private housing construction will typically commence before any units are sold and sales risk is present well into the development period.

4.3 Programme timetable

HC have assumed the following programme timetable in their appraisal:

- Pre-construction period: 6 months;
- Construction period: 12 months; and
- Sales period: 4 months at PC assuming 60% off plan sales.

We do not consider the above programme timetable to be unreasonable; therefore, we have adopted it within our appraisal.

5 Appraisal results

In this section, we consider the outputs of the appraisals and the implications for the provision of affordable housing at the proposed Development.

5.1 Viability benchmark

HC state within Section 6.7 of their report that *“the benchmark land value of the site has been based on an agreed position as reported by the council’s consultant Carter Jonas in their report assessing the 38 unit scheme which refers back to their original report dated April 2024 and adopts a value of £625,000. For the purposes of this appraisal we have adopted this figure.”*

For the avoidance of doubt, we do not consider reliance upon a benchmark land value agreed in excess of 2 years ago to be reasonable, particularly as we had not agreed this figure.

In Section 3.4 of their report, HC state that *“the site was previously used as an office for Redrow Homes as a site office for the adjacent development at Padcroft Works to the north and COMAG I to the west.”*

Due to a complete lack of evidence provided by HC in relation to the existing space we have assumed a viability benchmark of £nil in our assessment. This benchmark land value has been adopted on a ‘without prejudice’ basis and should HC seek to challenge our position, we request that they provide a full comprehensive assessment of the Existing Use Value (“EUV”) of the Site.

5.2 Appraisal results

HC have concluded that the proposed Development with 100% private housing generates a deficit of -£2,468,079 against the viability benchmark.

In our review of HC’s appraisal assumptions, we have recommended the following amendments:

- Reduce construction costs in line with advice received from Stace; and
- Reduce the viability benchmark due to lack of evidence.

We have undertaken appraisals of the proposed Development including 100% private housing in line with the Applicant’s proposals, taking into account the recommended amendments. We have summarised the appraisal results in Table 5.2.1.

Table 5.2.1: Quintic Advisory appraisal results

Scenario	RLV (£)	Viability benchmark (£)	Surplus / deficit (£)
Proposed Development with 100% private housing	-£160,855	£0.00	-£160,855

5.3 Sensitivity analysis – value growth and cost inflation

To provide a more comprehensive understanding of the financial performance of the project, we have undertaken a series of sensitivity analyses of the proposed Development. For the avoidance of doubt, we have applied value growth to private residential values only. We have summarised the results in Table 5.3.1.

Table 5.3.1: Sensitivity analysis growth / inflation

Change in values	Change in costs	RLV (£)	Viability benchmark (£)	Surplus / deficit (£)
0%	+5%	-£573,617	£0.00	-£573,617
0%	+10%	-£986,904	£0.00	-£986,904

Change in values	Change in costs	RLV (£)	Viability benchmark (£)	Surplus / deficit (£)
+5%	0%	£247,208	£0.00	£247,208
+10%	+5%	£267,588	£0.00	£267,588
+10%	-10%	£1,385,735	£0.00	£1,385,735

6 Conclusions

HC have concluded that the proposed Development with 100% private housing generates a deficit of -£2,468,079 against the viability benchmark.

We have undertaken an assessment of the proposed Development including 100% private housing in line with the Applicant's proposal. We have concluded that the proposed Development generates a deficit of -£160,855 against the viability benchmark. Whilst this is a significant reduction in the deficit reported by HC (-£2,468,079), it does not generate a surplus against the viability benchmark based upon current day costs and values. However, our sensitivity analysis indicates that the scheme could generate a surplus as a result of changes to values and costs over the development period. The actual surplus can be established through an early and late stage viability review.

Appendix 1 - Argus Appraisal proposed Development

Tavistock Works Proposed Development

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Private residential units	31	17,692	650.00	370,961	11,499,800

TOTAL PROJECT REVENUE **11,499,800**

DEVELOPMENT COSTS

ACQUISITION COSTS

Residualized Price (Negative land)	(160,855)	(160,855)
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CONSTRUCTION COSTS

Construction

	Units	Unit Amount	Cost	
Build costs	1 un	7,725,745	7,725,745	7,725,745
Building Safety Levy			67,778	
S106 payment			68,408	
Mayoral CIL			151,264	
Borough CIL			325,967	
				613,417

PROFESSIONAL FEES

Professional fees	10.00%	772,575	772,575
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DISPOSAL FEES

Marketing, agency and legal fees	2.00%	229,996	229,996
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Additional Costs

Profit on private	17.50%	2,012,465	2,012,465
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TOTAL COSTS BEFORE FINANCE **11,193,342**

FINANCE

Timescale	Duration	Commences
Pre-Construction	6	Aug 2026
Construction	12	Feb 2027
Sale	4	Feb 2028
Total Duration	22	

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)

Land	(10,570)	
Construction	297,887	
Other	19,141	
Total Finance Cost		306,458

TOTAL COSTS **11,499,800**

PROFIT

0

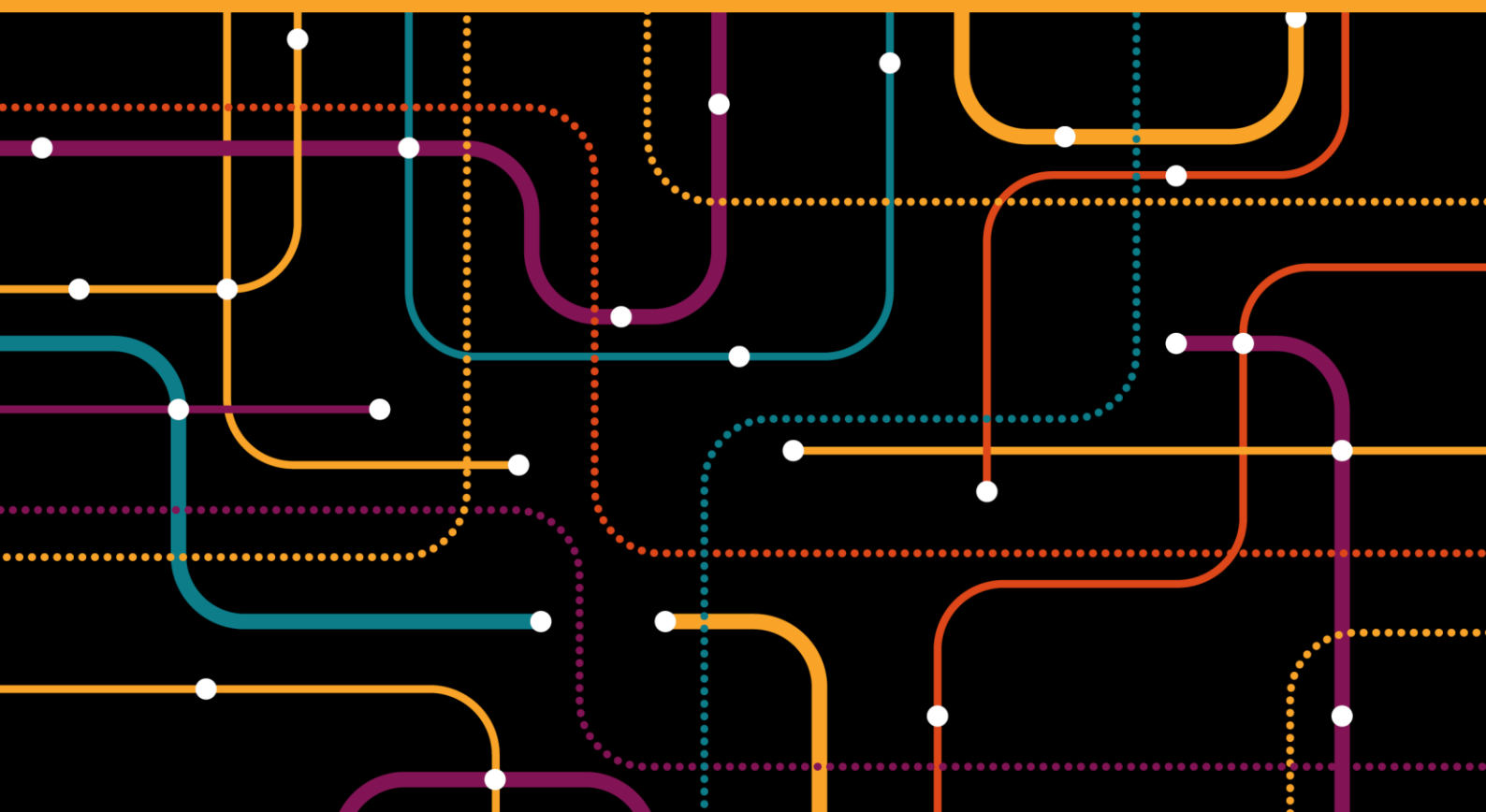
Performance Measures

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
IRR% (without Interest)	6.25%

Appendix 2 - Stace Cost Plan Review

REVIEW OF INITIAL COST PLAN

TAVISTOCK WORKS, TAVISTOCK ROAD, YIEWSLEY
LONDON BOROUGH OF HILLINGDON



DOCUMENT CONTROL

Author(s): Matthew Gill
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CONTENTS

1. EXECUTIVE SUMMARY	4
1.1 INTRODUCTION	4
2. INTRODUCTION AND HEADLINE COSTS	5
3. PROJECT DESCRIPTION.....	6
3.1 SITE LOCATION AND DESCRIPTION	6
3.2 SCHEME PROPOSALS	6
3.3 DESCRIPTION OF THE WORKS.....	6
4. BASIS OF COSTS.....	7
4.1 INFORMATION USED.....	7
4.2 COST PLAN NOTES, ASSUMPTIONS AND EXCLUSIONS	7
4.3 ASSUMPTIONS AND NOTES.....	7
4.4 EXCLUSIONS	8
5. COST PLAN REVIEW	9
5.1 PRICING APPROACH.....	9
5.2 PRICING SUMMARY	9
5.3 ARITHMETICAL CHECK.....	9
5.4 PRICING LEVELS	9
5.5 STACE ADJUSTMENTS	10
5.6 PRELIMINARIES	11
5.7 OVERHEADS AND PROFIT (OH&P)	11
5.8 RISK AND CONTINGENCY	11
5.9 TENDER AND CONSTRUCTION INFLATION	11
6. SUMMARY	12

1. EXECUTIVE SUMMARY

1.1 Introduction

- 1.1 Stace LLP have been commissioned by the London Borough of Hillingdon to provide an independent review (the Review) of the construction cost estimate submitted in support of the Financial Viability Assessment for the proposed redevelopment of Tavistock Works, Tavistock Road, Yiewsley, Middlesex, UB7 7QX, for 31 residential apartments.
- 1.2 The total construction cost presented in SG QS Services' Initial Cost Plan (Version 11a, dated 05/03/2026) is £9,318,015. This equates to £3,808/m² GIA (£353.79/ft² GIA) based on a total GIA of 2,446.8m² (26,337ft²), and £300,581 per unit across the 31 proposed units.
- 1.3 The submitted build cost rate of £3,808/m² GIA sits above the typical £2,600 to £3,400/m² GIA range for mid-rise residential schemes of this type, which suggests that closer scrutiny is warranted; this is addressed at Section 5.
- 1.4 It is Stace's opinion that the submitted Initial Cost Plan total of £9,318,015 is overstated, principally as a result of an unexplained rate loading applied across the majority of the Bill of Quantities and a duplicated Design Fees allowance; after adjustment, Stace's assessed construction cost is £7,725,745, some £1,592,271 (17.1%) lower than the submitted figure.
- 1.5 The Cost Plan states that current day pricing has been adopted with no allowance for inflation, which is inconsistent with the rate loading identified within it (see Section 5.9). This also assumes that the Applicant has any development and/or construction risk included within the overall FVA.

2. INTRODUCTION AND HEADLINE COSTS

- 2.1.1 Stace LLP have been commissioned by the London Borough of Hillingdon to provide an independent review of the construction cost estimate submitted in support of the Financial Viability Assessment (FVA) for the proposed redevelopment of Tavistock Works, Tavistock Road, Yiewsley, Middlesex, UB7 7QX (the Site).
- 2.1.2 The estimate under review is SG QS Services' Initial Cost Plan (Version 11a, dated 05/03/2026) for the demolition of the existing commercial building and construction of 31 new residential apartments, which is appended at Appendix C to the Development Viability Report for Tavistock Works dated March 2026. The FVA has been prepared by Home Consultancy Ltd (HCL) on behalf of Linea UB7 Ltd (the Applicant).
- 2.1.3 The total construction cost presented in the Cost Plan is £9,318,015, equating to £3,808/m² GIA (£353.79/ft² GIA) based on a total GIA of 2,446.8m² (26,337ft²), and £300,581 per unit across the 31 proposed units.
- 2.1.4 The Cost Plan is presented as a single-revision (Version 11a) high level cost plan dated 05/03/2026. No base date is stated for the pricing; it is therefore assumed that the base date is 1st Quarter 2026 (1Q2026), reflecting the date of the document. This should be confirmed with SG QS Services.

3. PROJECT DESCRIPTION

3.1 Site Location and Description

3.1.1 The Site is located at Tavistock Works, Tavistock Road, Yiewsley, Middlesex, UB7 7QX, within the administrative area of the London Borough of Hillingdon. The Site was previously used as an office, most recently as a site office for Redrow Homes serving the adjacent Padcroft Works development to the north and COMAG I to the west. The existing commercial building is to be demolished to facilitate the proposed residential redevelopment.

3.2 Scheme Proposals

3.2.1 The proposed development comprises 31 residential apartments (17 x one bedroom, 10 x two bedroom and 4 x three bedroom units) arranged as a single residential block of up to 6 storeys, with a total GIA of 2,446.8m² (26,337ft²) and a saleable (NIA) area of 1,643.6m² (17,692ft²). The scheme is understood to be 100% private residential tenure, reflecting the negative residual land value reported in the FVA. Planning permission was previously granted in September 2022 for a residential building of up to 8 storeys (ref. APP/R5510/W/21/3288333), with a subsequent Section 73 permission for 38 dwellings approved in January 2025 (ref. 35810/APP/2024/1651) which has since lapsed; the current application is submitted afresh for the 31 unit scheme addressed in this Review.

Block	Tenure	Storeys	Units	GIA (m2)	GIA (ft2)
Tavistock Works (single block)	Private	Up to 6	31	2,446.8	26,337

3.3 Description of the Works

3.3.1 The construction scope reviewed comprises demolition of the existing commercial building and construction of a new residential block, as follows:

- Sub-structure: reinforced concrete strip and pad foundations with ground slab; no basement is proposed.
- Superstructure: in-situ reinforced concrete frame (250mm slab with blade columns), including roof slab.
- External envelope: facade, windows and roof coverings to the new residential block.
- Internal fit-out: partitions, finishes, kitchens and bathroom fittings to 31 apartments.
- Mechanical and electrical services: Air Source Heat Pump (ASHP) heating strategy to radiators and underfloor heating, together with sprinklers and standard electrical installations.
- Lifts: one passenger lift and one fire-fighting lift.
- External works: landscaping, external works and utilities connections.

- Facilitating works: demolition of the existing commercial building and a provisional sum for asbestos removal.

4. BASIS OF COSTS

4.1 Information Used

- 4.1.1 The Cost Plan includes a Drawing Schedule heading, but no drawings are listed beneath it. This should be requested from SG QS Services to confirm the design basis of the pricing. Stace's Review has otherwise been undertaken on the basis of the information contained within the Cost Plan and as reproduced in the FVA submission.
- 4.1.2 No structural, civils or services information has been provided within the Cost Plan itself. The Cost Plan notes that an in-situ RC frame has been assumed and that no specification was made available at the time of pricing.
- 4.1.3 Stace has not independently verified the underlying drawings or specification against the Cost Plan quantities; where information is limited, this is noted in the assessment below.

4.2 Cost Plan Notes, Assumptions and Exclusions

- 4.2.1 Stace's assessment of each note, assumption and exclusion stated within the Cost Plan is set out in the tables below.

4.3 Assumptions and Notes

Note / Assumption	Detail	Stace Assessment
Structural form	Structure assumed as in-situ RC frame.	Acceptable, consistent with the elemental Structure allowance reviewed at Section 5.
No basement	No Basement Allowed.	Noted, but inconsistent with the Cost Plan's own cover page description, which refers to a basement and ground floor parking. This should be clarified with SG QS Services and the design team.
Specification	No specification made available.	Noted, material caveat. In the absence of a specification, several rates have necessarily been assessed on a benchmark basis.

Note / Assumption	Detail	Stace Assessment
Pricing basis / inflation	Current day pricing; no allowance for inflation.	RISK. This statement is inconsistent with a rate loading of approximately 10% identified within the majority of the Cost Plan's rates (see Section 5.9). This should be clarified with SG QS Services.
Heating strategy	Air Source Heat Pumps to radiators/underfloor heating.	Acceptable, consistent with current market practice for this scheme type.
Sprinklers	Allowance made for sprinklers.	Acceptable, and appropriate for a residential building of this scale.
Second staircase	Second staircase excluded.	RISK.

4.4 Exclusions

Exclusion	Detail	Stace Assessment
VAT	Excludes VAT.	Acceptable exclusion.
Comfort cooling	No allowance made for comfort cooling.	Acceptable exclusion for a residential scheme of this nature.
Electrical sub-station	No allowance made for an electrical sub-station, as none is shown on drawings.	Acceptable exclusion, subject to confirmation from the relevant utility provider that no sub-station is required.
Winter gardens	Winter Gardens excluded.	Acceptable exclusion, consistent with the lapsed Section 73 permission which replaced winter gardens with balconies.

5. COST PLAN REVIEW

5.1 Pricing Approach

- 5.1.1 The Cost Plan is presented in an elemental format, broken down into Demolition, Sub-structure, Structure, Envelope, Mechanical and Electrical Services, Lifts, Internal Fit-out, External Works and Utilities, with Preliminaries, Contractor's Overheads and Profit, Design Fees and Contingency applied on a percentage basis to the resulting subtotal. This approach aligns with standard UK cost planning practice.
- 5.1.2 The elemental structure is broadly consistent with the RICS NRM1 approach, although the level of supporting quantity and specification detail behind each element is limited, given that no specification was available at the time of pricing (see Section 4.2).

5.2 Pricing Summary

- 5.2.1 The submitted construction cost totals £9,318,015 (see Pricing Summary table below), equating to £3,808/m² GIA (£353.79/ft² GIA). This is above the typical £2,600 to £3,400/m² GIA range observed for mid-rise residential schemes of this type (BCIS Average Prices, rebased to outer London and a 1Q2026 base date), which does not in itself mean the submitted cost is unreasonable, but does suggest that closer scrutiny is required. Following Stace's adjustments (see Section 5.5), the adjusted build cost of £3,157/m² GIA (£293.31/ft² GIA) falls within this benchmark range.

Block	Tenure	GIA (m ²)	GIA (ft ²)	Rate (£/m ²)	Total (£)
Tavistock Works	Private (31 units)	2,446.8	26,337	3,808	9,318,015

5.3 Arithmetical Check

- 5.3.1 Stace has checked the arithmetic of the submitted Cost Plan by tracing the elemental sub-totals and the cascading Preliminaries, Overheads and Profit, Design Fees and Contingency percentages through to the stated Total Cost.
- 5.3.2 The Cost Plan is arithmetically correct and totals £9,318,015. It is noted that the majority of unit rates within the supporting Bill of Quantities are built up by applying a rate multiplier of 1.10 (a 10% loading) to a base rate; a small number of individual line items (including the fire-fighting lift and certain internal finishes items) are hardcoded and do not follow this pattern, which suggests some inconsistency in how the Bill of Quantities was compiled. This is addressed further at Section 5.9.

5.4 Pricing Levels

- 5.4.1 Key headline cost items within the submitted Cost Plan are summarised in the Pricing Levels table below and considered against Stace's benchmark expectations.

Cost item	Allowance / rate applied	Stace assessment
Structure (in-situ RC frame, 250mm slab + blade columns, inc. roof slab)	£240/m ² to £264/m ² (submitted rate, inclusive of the 10% loading)	Within expected range for a mid-rise RC frame once the 10% loading is reversed.
Fire-fighting lift	£7,500 (submitted, hardcoded rate)	Considered too low for a fire-fighting lift installation; Stace has increased this allowance to £10,000.
Design Fees	10% of construction cost (£806,755)	Considered a duplication of the 10% Architect's fee (£938,579) already included within the FVA's Argus appraisal; Stace has removed this allowance from the Cost Plan build-up (see Section 5.5).
Preliminaries	12% of building works cost	See Section 5.6.
Contingency	5% of total cost	See Section 5.8.

5.5 Stace Adjustments

5.5.1 Stace's adjustments to the submitted Cost Plan are summarised in the table below. Adjustments are driven principally by two systemic issues. First, a rate loading of approximately 10% is embedded within almost all of the Bill of Quantities' unit rates, via a hidden multiplier applied to the base rate; this is inconsistent with the Cost Plan's own stated position that current day pricing has been adopted with no allowance for inflation, and has been reversed throughout. Second, a Design Fees allowance of £806,755 (10% of construction cost) is included within the Cost Plan; this duplicates the separate 10% Architect's professional fee of £938,579 already included within the FVA's Argus Development Appraisal and has been removed in full. A small number of individual line items have also been reviewed and adjusted on their own merits, including an upward correction to the fire-fighting lift allowance (from £7,500 to £10,000, reflecting a hardcoded rate that had not been subject to the general loading and was considered too low), together with the removal of an epoxy floor paint allowance and a non-recoverable VAT-on-labour allowance not considered applicable to this Cost Plan.

Initial Cost Plan Total		£9,318,015
Element	Comments	Stace Adjustment
Demolition	Submitted: £187,000. Stace: £170,000. 10% rate loading reversed.	-£17,000
Sub-structure	Submitted: £595,738. Stace: £541,580. 10% rate loading reversed.	-£54,158
Structure - RC Frame	Submitted: £774,114. Stace: £703,740. 10% rate loading reversed.	-£70,374
Envelope	Submitted: £1,718,175. Stace: £1,569,907. 10% rate loading reversed.	-£148,268
Mechanical and Electrical	Submitted: £1,514,783. Stace: £1,383,633. 10% rate loading reversed.	-£131,150
Lifts	Submitted: £185,800. Stace: £188,000. Fire-fighting lift allowance increased from £7,500 to £10,000 (a hardcoded rate not subject to the general loading, considered too low); 10% loading reversed on the passenger lift allowance.	+£2,200
Internal Fit-out	Submitted: £1,688,132. Stace: £1,521,067. 10% rate loading reversed; epoxy floor paint and non-recoverable VAT on labour allowances removed as not considered applicable.	-£167,065
External Works	Submitted: £53,268. Stace: £48,425. 10% rate loading reversed.	-£4,843

Utilities	Submitted: £78,430. Stace: £71,300. 10% rate loading reversed.	-£7,130
Preliminaries (12%)	Percentage adjustment following the reduced building works cost above; rate of 12% unchanged.	-£71,735
Contractor's OH&P (6%)	Percentage adjustment following the reduced subtotal above; rate of 6% unchanged.	-£40,171
Design Fees (10%)	Removed in full: duplicates the 10% Architect's professional fee (£938,579) already included within the FVA's Argus appraisal.	-£806,755
Contingency (5%)	Percentage adjustment following the reduced subtotal above; rate of 5% unchanged.	-£75,822
Initial Cost Plan Total (adjusted by Stace, including Stace adjustments)		£7,725,745

5.6 Preliminaries

- 5.6.1 Preliminaries have been included at 12% of the building works cost, equating to £815,453 (submitted) and £743,718 (Stace adjusted, reflecting the reduced building works cost below).
- 5.6.2 A preliminaries allowance of 12% is at the upper end of the typical range for a scheme of this scale and single-block nature, though this is not unreasonable given the constrained urban site and the need for demolition and enabling works ahead of the main build.

5.7 Overheads and Profit (OH&P)

- 5.7.1 Contractor's Overheads and Profit have been included at 6% of the cost following Preliminaries, which sits within the typical 5% to 6% market range and is considered reasonable.

5.8 Risk and Contingency

- 5.8.1 Contingency has been included at 5% of the total cost following Design Fees, applied to the whole of the construction cost.

5.9 Tender and Construction Inflation

- 5.9.1 The Cost Plan states that current day pricing has been adopted with no allowance for tender price inflation. Given the Cost Plan is dated 05/03/2026 and the base date is assumed to be 1Q2026 (see Section 1), this exclusion would ordinarily be accepted for a report of this date; however, this sits at odds with the approximately 10% rate loading identified within the Bill of Quantities (see Sections 5.3 and 5.5), which is not described or explained as an inflation allowance anywhere within the Cost Plan.
- 5.9.2 No separate allowance for construction price inflation beyond the base date has been identified, which is consistent with the Cost Plan's stated position. Should the programme extend materially beyond 1Q2026, an allowance for construction inflation would need to be considered.

6. SUMMARY

- 6.1.1 The submitted Cost Plan totals £9,318,015, equating to £3,808/m² GIA (£353.79/ft² GIA) based on a total GIA of 2,446.8m² (26,337ft²).
- 6.1.2 It is Stace's opinion that the submitted total is overstated as presented, principally as a result of an unexplained rate loading applied across the Bill of Quantities and a duplicated Design Fees allowance, rather than pervasive elemental overpricing.
- 6.1.3 After Stace's adjustments, the revised total is £7,725,745, equating to £3,157/m² GIA (£293.31/ft² GIA), some £1,592,271 (17.1%) lower than the submitted figure.

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