1 & 2 Longwalk, Stockley Park, Uxbridge UB11 1FE

London Borough of Hillingdon

Office Use Viability Assessment

23rd October 2026

INTRODUCTION

1 & 2 Longwalk are two long-term vacant office buildings on Stockley Park.

The owner of the two buildings, Royal UK Property Holdings LLP, is submitting a planning application to redevelop the site for flexible industrial, storage and distribution uses.

Local policy DME 3 resists the loss of office space on Stockley Park unless:

i) the site has been actively marketed for two years;

ii) the site is no longer viable for office use, taking account of the potential for internal and external refurbishment; and

iii) surrounding employment uses will not be undermined.

A separate Marketing Report prepared by Bray Fox Smith addresses limb (i) of Policy DME 3, and the Planning Statement prepared by Dara Planning addresses limb (iii).

This Office Use Viability Assessment addresses limb (ii) of Policy DME 3.

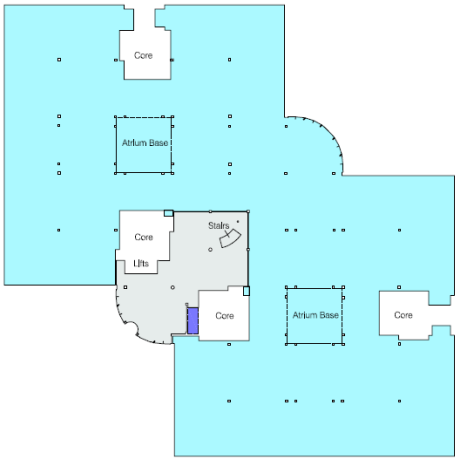
This report covers:

1) The existing buildings: their quality, condition and vacancy
2) Viability Approach
3) Benchmark Land Value
4) Viability Appraisal of a hypothetical refurbishment of both buildings for continued office use
5) Viability Conclusion

1: EXISTING BUILDINGS

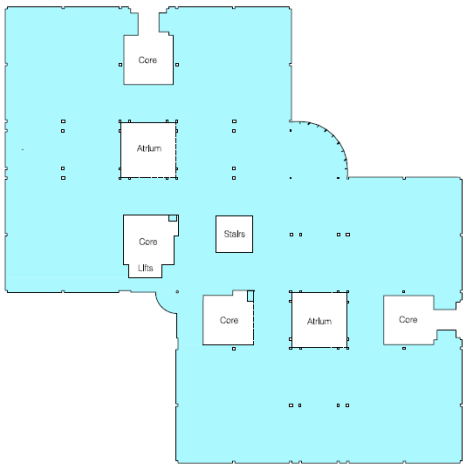
1 Longwalk

Ground Floor Plan



Unit	NIA	
	sq m	sq ft
First	3,493.7	37,606
Ground	3,204.6	34,494
Reception	258.8	2,786
Storage	6.3	68
TOTAL	**6,963.4**	**74,954**

First Floor Plan



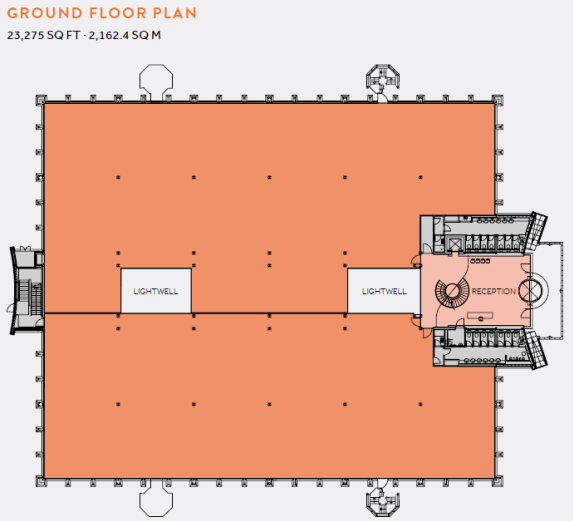


- 1989 detached office building
- Last refurbished 2011
- Over ground and first floors providing 72,100 sq ft NIA (net of reception and storage)
- 232 parking spaces (1:323 sq ft)
- External bike shed for 60 bikes
- Shower block providing 6 showers

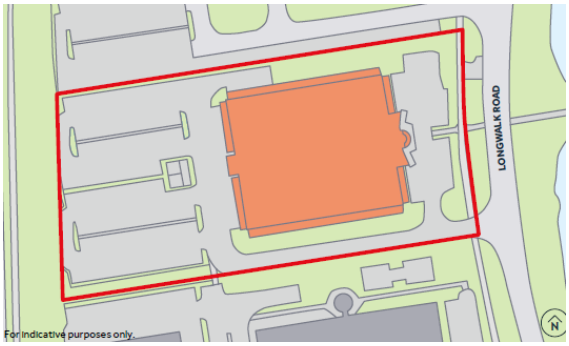
- Vacant since November 2020
- Marketed (unsuccessfully) since January 2021 by Bray Fox Smith
- Now fully stripped out and in Grade B condition
- Benefits from a 2024 permission (Ref: 37103/APP/2022/3110) for:

"*Refurbishment of existing office building (Use Class E), extension to form new front entrance with new green roof, replacement of existing facade, and associated landscaping, cycle parking, and ancillary works*."

2 Longwalk







ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and provides the following net internal areas:

FLOOR	SQ FT	SQ M
First	24,223	2,250.4
First Floor Lobby	217	20.1
Ground	23,275	2,162.4
Reception	1,009	93.7
TOTAL	**48,724**	**4,526.6**

- 1986 detached office building
- Last refurbished in 2013
- Over ground and first floors providing 47,498 sq ft NIA (net of reception and first floor lobby)
- 190 parking spaces (1:256 sq ft)
- Vacant since November 2024
- Now fully stripped out and in Grade B condition

2: VIABILITY APPROACH

The report has been prepared in accordance with RICS valuation guidance and with regard to relevant guidance on preparing FVAs for planning purposes. However, it is not a 'Red Book' valuation and should not be relied upon as such.

This report has been prepared by Will Seamer, BA MSc MRICS, RICS Registered Valuer.

In accordance with RICS Professional Statement *Financial Viability in Planning: Conduct and Reporting* (May 2019), we confirm that when undertaking this FVA we have acted:

- With objectivity;
- Impartially;
- Without Interference; and
- With reference to all appropriate available sources of information.

We further confirm that we are not aware of any conflicts of interest that arise from our instruction to carry out this FVA, and that no performance related or contingent fees have been agreed.

We have tested whether 1 & 2 Longwalk are viable for continued office use by modelling a hypothetical refurbishment of both buildings.

Both buildings are currently fully stripped out and in Grade B condition. Local occupier demand is demonstrably for 'best in class' space, with over 80% of recent take up across the Thames Valley being for Grade A space. This flight to quality, with occupiers rejecting lower quality and Grade B space, is further demonstrated by the long term unsuccessful marketing for Grade B stock on Stockley Park, including within 1 and 2 Longwalk themselves. For further detail see the Office Marketing Report prepared by Bray Fox Smith.

Therefore, a light refurbishment would not deliver the type of space sought by the majority of occupiers and would not maximise the chances of a potential letting. Viability testing of a light refurbishment would therefore risk underestimating the viability of the buildings for continued office use.

For these reasons, out viability analysis considers a high-quality refurbishment of both buildings to Grade A specification.

1 Longwalk benefits from a 2024 permission for refurbishment including a new entrance, facade and green roof. The applicant went to competitive tender for the permitted works in Q3 2023. Owing to concerns over viability, a contract was never entered into and the building remains stripped out.

For this viability assessment, the lowest received tender for the permitted 1 Longwalk refurbishment has been indexed to today's date by quantity surveyors Pulse Consult. Based on the indexed tender price for the 1 Longwalk scheme, Pulse Consult have also provided estimated costings for a similar programme of refurbishment works to 2 Longwalk. The Pulse Consult report is at **Appendix 1**.

We have prepared a residual appraisal for the refurbishment of both buildings and compared the land value with a Benchmark Land Value.

Within our appraisal, we have relied on build costs from Pulse Consult. For rent, yield, void and incentives we have relied on the Marketing Report provided by Bray Fox Smith (BFS), who have marketed 1 Longwalk since 2021 and are active across Stockley Park more widely. BFS's advice is informed by extensive comparable evidence from Stockley park itself.

We discuss the Benchmark Land Value below, followed by the inputs into our appraisal.

3: BENCHMARK LAND VALUE

The Viability Planning Practice Guidance (PPG) in support of the National Planning Policy Framework (NPPF) states:

"*To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. 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*."

The RICS Guidance note Financial Viability in Planning as well as the Planning Practice Guidance (PPG) for Viability in support of the NPPF support the adoption of a Benchmark Land Value (BLV) on an "Existing-Use-Value plus" (EUV+) basis where possible. This aligns with the GLA's Affordable Housing and Viability Supplementary Planning Guidance from 2017, which also prefers an EUV+ BLV where possible.

In line with the above, we have assessed the BLV by first considering the EUV of 1 and 2 Longwalk, and the considering whether a Landowner Premium is appropriate.

As set out above, the existing buildings comprise two detached 2-storey office buildings, both stripped out and in Grade B condition.

In their Marketing Report BSF provide extensive sales evidence for office buildings on Stockley Park. Since 2023, 12 buildings have sold on the park at an average of £137 per sq ft. Of these 12 sales, 5 were vacant possession sales at an average of £93 per sq ft.

The most recent of these sales was 1 Roundwood in September 2025 which sold (with vacant possession occurring the next month in October 2025) at £90 per sq ft. Slightly preceding this was 3 The Square which sold with full vacant possession in June 2025 at £78 per sq ft and 4 Furzeground Way which sold with full vacant possession in March 2025 at £83 per sq ft.

This extensive evidence for sales on Stockley Park provides a vacant possession capital value tone of £80-£90 per sq ft. For prudence we have applied the lower end of this range, £80 per sq ft, to the total NIAs of 1 and 2 Longwalk, arriving at the following rounded EUVs:

- 1 Longwalk (74,954 sq ft total NIA) = £6,000,000
- 2 Longwalk (48,724 sq ft total NIA) = £3,900,000
- **Total EUV = £9,900,000**

Since both buildings are vacant and in stripped out condition we have not applied a Landowner's Premium at this stage.

On this basis our BLV is £9,900,000.

4: VIABILITY APPRAISAL

FULL REFURBISHMENT OF BOTH BUILDINGS TO GRADE A SPEC		
Input	**Assumption**	**Source / Justification**
Gross Internal Area (GIA)	1 Longwalk 81,354 sq ft 2 Longwalk 50,914 sq ft	Pulse Consult cost plans – see Appendix 1.
Net Internal Area (NIA)	1 Longwalk 72,100 sq ft 2 Longwalk 47,498 sq ft	Existing NIA net of reception and storage/lobby areas.
Timescales	For viability we must assume that required planning permissions are in place today. Both buildings refurbished simultaneously. 1 Longwalk: 14 month build; 36 month letting period (Gound floor after 18 months, 1st floor after 36). 2 Longwalk: 11 month build; 36 month letting period (Ground floor after 18 months, 1st floor after 36).	Build periods advised by Pulse Consult. Letting periods advised by BFS, who advise that these are highly optimistic given the long term vacancy at Stockley Park generally, and their failure to attract a tenant for 1 Longwalk since marketing commenced in January 2021. For further detail see the BFS Marketing Report.
Market Office Value	Office ERV of £42.50 psf Yield 9.00% 5-year lease terms 18 month rent free periods	Advised by BFS based on evidence from Stockley Park (see Marketing Report). We note that our adopted £42.50 per sq ft rent exceeds both the current £39.50 psf quoting rent for Union on Stockley Park, as well as the park's prime headline rent of £39.50 psf also set at Union in March 2023. We reserve the right to revisit this.

		The 9.00% yield is in line with the December 2025 sale of 6 Roundwood which at the time had a new ten-year lease to Reckitt Benckiser. Provincial office market sentiment and the outlook for Stockley Park have both worsened since December 2025. We note further that the Knight Frank Yield Guide for 5-year office income on South East Business Parks is at 10.50%+ (Aug 2026). We reserve the right to revisit our adopted yield upwards.
Refurbishment Costs (Excl. contingency and prof fees)	1 Longwalk £20,001,869 (£246 psf GIA) 2 Longwalk £12,526,539 (£246 psf GIA)	October 2026 cost plans prepared by Pulse Consult. 1 Longwalk costs based on actual tender return, indexed to today's date. See Appendix 1.
Contingency	5.00%	Market standard assumption.
Professional Fees	10.00% of refurbishment costs	Market standard assumption.
Marketing and Disposal Costs	Marketing allowance of £2.00 per sq ft NIA Letting Agency and Legal Fees: 10.00% and 5.00% of ERV respectively Sales Agency Fee 1.00% of GDV Sales Legal Fee 0.50% of GDV	Considered appropriate based on experience of viability assessments for similar schemes.
Purchaser's Costs	6.80% of GDV	Market standard assumption.
Void Costs	Empty rates (assumed £20.00 psf) and service charge (£7.50 psf). Equating to total void costs of circa £7.3m.	Service charge advised by BFS. Empty rates considered appropriate given ERV.

Developer's Return	15.00% profit on GDV	Considered appropriate having regard to previous viability experience. We would note that this lies at the bottom of the PPG range of 15-20% on GDV for viability purposes.
Finance	7.50% assuming 100% debt finance	Considered appropriate for viability testing, albeit this is unlikely to be achievable in the current debt market.

Our viability appraisal on the above basis (attached as Appendix 2) generates a negative residual land value of **-£17,060,782.**

CONCLUSION

Even before accounting for our Benchmark Land Value, the significant negative land value generated by our residual appraisal shows that a refurbishment of 1 & 2 Longwalk for continued office use would be unviable and undeliverable. The negative land value is circa £9m larger than the fixed profit allowance, showing that the loss in pursuing such a scheme would be circa £9m..

When our Benchmark Land Value of £9,900,000 is included the overall viability deficit is just under £27m. Sensitivity analysis shows that construction costs would need to reduce by 30% with a concurrent rental increase of 30% for the residual land value to equal the Benchmark Land Value. Neither of these movements is reasonable in isolation, less still in concert, and our viability conclusion is therefore robust.

1 & 2 Longwalk are not viable for continued office use simply because the costs to refurbish them to a standard demanded by the market are not offset by the investment value of the end product.

APPENDIX 1: PULSE COST PLANS

1 and 2 Longwalk Road

Refurbishment of Office Buildings

Cost Estimate
October 2026



Regulated by:

RICS the mark of property professionalism worldwide

www.pulseconsult.co.uk

1 and 2 Longwalk Road
Refurbishment of Office Buildings
Cost Estimate

Document Issue Tracker

Rev.	Document	Issue Date	Issued To	Prepared By	Checked By	Reviewed By
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1 and 2 Longwalk Road
Refurbishment of Office Buildings
Cost Estimate

Contents

1.0 Introduction

2.0 Basis, Assumptions and Clarification

3.0 Building 1 - Stage 3+ Approximate Estimate of Cost

4.0 Building 2 - Stage 3+ Approximate Estimate of Cost

1. **Introduction**

1.0 Introduction

1.1 Hartnell Taylor Cook (HTC) were originally appointed in 3Q 2020 on Building 1, Longwalk Road in connection with the internal and external refurbishment of the existing office building.

1.2 Pulse Consult have undertaken a rate review in October 2026 but have not reviewed any drawings or measures for this project.

2.0 Basis, Assumptions and Clarfications

Basis, Assumption and Clarification - Assumed from HTC previous cost estimate

Information

2.01 Detailed design information and measures assumed from HTC cost plan in April 2026 as well as the below clarifications and exlcusions. Pulse Consults accepts no liabilites for the below.

Clarifications

The following items / costs have been assumed (unless otherwise stated):

2.02 Assumes Single Stage Competitive Tendering on a JCT standard Form of Contract (D&B).
2.03 It is assumed that the building will be vacant and that works can be carried out in normal hours without any onerous restrictions.
2.04 Façade costs based upon Metra Sky Tech 50 system (proposed by Greenstyle) in lieu of Kawneer specified.
2.05 Flat roofing costs based on Alumasc system in lieu of IKO system specified.
2.06 Allowance included under Raised Access Floors for T42 testing to pedestals. No mechanical fixing of pedestals is included - should testing confirm need to mechanically fix, this would incur an additional cost.

Exclusions

The following items / costs have been excluded (unless otherwise stated):

2.07 Consultants and D&B Fees / Surveys / Validation Investigations & Reports / Site Investigation Reports. We would suggest that an allowance in the order of 10 - 15% is added to the overall estimated construction cost for same.
2.08 Any allowance for sprinklers.
2.09 Any allowance for diversion or any upgrading of existing services.
2.10 Planning and Building Control Fees and Associated Surveys and Reports.
2.11 Loose Fixtures and Furnishings, FF&E or furniture generally.
2.12 Telecoms and IT Installations.
2.13 Works Outside the Boundary.
2.14 S38 / S278 / S106 / CIL Payments and Obligations.
2.15 Any allowance for Inflation/deflation to Start on Site - rates deemed current at date of report.
2.16 Project Contingency.
2.17 VAT.
2.18 Window cleaning gantries/cradles.
2.19 Any allowances for WELL Building Standard or similar; or assoicated fees.
2.20 Any allowances for asbestos removal or removal of any other contaminants generally.
2.21 Replacement of existing fire protection to frame generally - allowance for localised repairs only.
2.22 Any allowance for access control speed gates to entrance lobby.
2.23 Any allowance for provision of tea point fittings.
2.24 Any allowance for provision of window blinds.
2.25 Any allowance for CAT B fit out.
2.26 Any allowance for carbon offset payments/costs.
2.27 The impact of the current situation in the Middle East on the cost and availability of materials.
2.28 Replacement of pyramid roof coverings - allowance only to make good slates (assumes existing insulation retained - no allowance if required for consequential improvements).
2.29 Any replacement steel to rear quadrant to receive new CLT roof.
2.30 Any works to existing steel frame adjacent new front atrium extension (Hydrock report notes 'investigation of existing steels required').
2.31 Any allowance for fire rating to any new glazed screens (atrium and office voids) - allowance is for non-fire rated.
2.32 Any allowance for any works to the existing Bin Store or Sub-Station beyond redecorating the existing fence.
2.33 Any allowance for air quality monitoring.
2.34 Any cost inclusion for Options for additional EV charging.
2.35 Any allowance for any works to car park areas/roads etc. generally (allowance only for limited works to building entrance approach area).
2.36 Initial landscaping proposals presented by Macgregor Smith on 10.01.23 (these proposals, at £364K, are in excess of confirmed target budget figure). Previous allowances retained until landscaping further developed in line with target figure.

1 and 2 Longwalk Road
Refurbishment of Office Buildings
Cost Estimate

pulse CONSULT

3.0 Building 1 - Stage 3+ Approximate Estimate of Cost

				Total GIA (m2)	7,558
				Total GIA (ft2)	81,354
Description	**Qty**	**Unit**	**Rate (£)**	**Total (£)**	**£/m2**
Enabling Works					
Internal soft strip works (based on final account for let contract)				**381,252**	**50**
Demolitions & Alteration				**1,101,781**	**146**
Substructure				**178,368**	**24**
Superstructure					-
Frame		item		151,437	20
Upper Floors		item		35,307	5
Roof		m2		785,184	104
Stairs and Ramps		m2		94,151	12
External Walls		m2		13,077	2
Curtain Walling, Widnows and External Doors		m		4,533,511	600
Internal Walls and Partitions		m2		112,819	15
Internal Doors/Screens		item		481,243	64
Subtotal Superstructure Works				**6,385,097**	**845**
Internal Finishes					
Wall Finishes		m2		190,034	**25**
Floor Finishes		m2		738,234	**98**
Ceiling Finishes		m2		646,959	**86**
Subtotal Internal Finishes				**1,575,228**	**208**
Fittings, Furnishings and Equipment				**209,442**	**28**
Services					
Sanitary Installations				753,416	**100**
Mechanical and Plumbing Installations				2,668,472	**353**
Electrical Installations				1,877,056	**248**
Lift Installations				240,826	**32**
BWIC with Services				276,989	**37**
Subtotal Services				**5,816,759**	**770**
External Works					
Roads, Paths & Pavings		nr		205,301	**27**
Soft Landscaping		item		87,286	**12**
Site Furniture		item		219,931	**29**
Drainage		m2		61,023	**8**
Incoming Services		item			
Other				129,948	**17**
Subtotal External Works				**703,488**	**93**
Sub-Total: Construction Works				**16,351,416**	**2,163**
Main Contractor's Preliminaries	15.0%			2,452,712	325
Main Contractor's Overheads and Profit	6.0%			981,085	130
Main Contractor's D&B Risk	2.5%			408,785	54
Sub-Total: Building Works Incl On-Costs				**3,842,583**	**508**
Professional Fees				Excluded	
Contingency	5%			192,129	25
Inflation				Excluded	
Total				**20,193,998**	**2,672**
Total (ROUNDED)				**20,190,000**	**2,671**

1 and 2 Longwalk Road
Refurbishment of Office Buildings
Cost Estimate

pulse CONSULT

4.0 Building 2 - Stage 3+ Approximate Estimate of Cost

				Total GIA (m2)	4,730
				Total GIA (ft2)	50,914
Description	**Qty**	**Unit**	**Rate (£)**	**Total (£)**	**£/m2**
Enabling Works					
Internal soft strip works (based on final account for let contract)				**260,000**	**42**
Demolitions & Alteration				**715,000**	**151**
Substructure				**104,000**	**22**
Superstructure					
Frame		item		97,500	21
Upper Floors		item		20,625	4
Roof		m2		455,000	96
Stairs and Ramps		m2		60,000	13
External Walls		m2		-	-
Curtain Walling, Widnows and External Doors		m		2,760,000	584
Internal Walls and Partitions		m2		63,250	13
Internal Doors/Screens		item		276,000	58
Subtotal Superstructure Works				**3,732,375**	**789**
Internal Finishes					
Wall Finishes		m2		115,000	24
Floor Finishes		m2		440,000	93
Ceiling Finishes		m2		425,000	90
Subtotal Internal Finishes				**980,000**	**207**
Fittings, Furnishings and Equipment				**120,000**	**25**
Services					
Sanitary Installations				520,000	110
Mechanical and Plumbing Installations				1,820,000	385
Electrical Installations				1,300,000	275
Lift Installations				110,500	23
BWIC with Services				188,500	40
Subtotal Services				**3,939,000**	**833**
External Works					
Roads, Paths & Pavings		nr		390,000	**82**
Soft Landscaping		item		incl	
Site Furniture		item			**-**
Drainage		m2			**-**
Incoming Services		item			
Other					**-**
Subtotal External Works				**390,000**	**82**
Sub-Total: Construction Works				**10,240,375**	**2,165**
Main Contractor's Preliminaries	15.0%			1,536,056	325
Main Contractor's Overheads and Profit	6.0%			614,423	130
Main Contractor's D&B Risk	2.5%			256,009	54
Sub-Total: Building Works Incl On-Costs				**2,406,488**	**509**
Professional Fees				Excluded	
Contingency	5%			120,324	25
Inflation				Excluded	
Total				**12,646,863**	**2,674**
Total (ROUNDED)				**12,650,000**	**2,674**

APPENDIX 2: VIABILITY APPRAISAL

Stockley Park: 1 & 2 Longwalk
Office Refurb

Development Appraisal
Montagu Evans LLP
October 9, 2026

APPRAISAL SUMMARY — MONTAGU EVANS LLP

Stockley Park: 1 & 2 Longwalk
Office Refurb

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
1 Longwalk: Ground	1	34,494	42.50	1,465,995	1,465,995	1,465,995
1 Longwalk: First	1	37,606	42.50	1,598,255	1,598,255	1,598,255
2 Longwalk: Ground	1	23,275	42.50	989,188	989,188	989,188
2 Longwalk: First	1	24,223	42.50	1,029,478	1,029,478	1,029,478
Totals	**4**	**119,598**			**5,082,915**	**5,082,915**

Investment Valuation

1 Longwalk: Ground					
Market Rent	1,465,995	YP @	9.0000%	11.1111	
(1yr 6mths Rent Free)		PV 1yr 6mths @	9.0000%	0.8787	14,313,645
1 Longwalk: First					
Current Rent	1,598,255	YP @	9.0000%	11.1111	17,758,389
2 Longwalk: Ground					
Market Rent	989,188	YP @	9.0000%	11.1111	
(1yr 6mths Rent Free)		PV 1yr 6mths @	9.0000%	0.8787	9,658,204
2 Longwalk: First					
Current Rent	1,029,478	YP @	9.0000%	11.1111	11,438,639
Total Investment Valuation					**53,168,876**

GROSS DEVELOPMENT VALUE			**53,168,876**
Purchaser's Costs		(3,615,484)	
Effective Purchaser's Costs Rate	6.80%		
			(3,615,484)
NET DEVELOPMENT VALUE			**49,553,393**
NET REALISATION			**49,553,393**
OUTLAY			
ACQUISITION COSTS			
Residualised Price (Negative land)		(17,060,782)	
			(17,060,782)

CONSTRUCTION COSTS
Construction

	ft²	Build Rate ft²	Cost	
1 Longwalk	81,354	245.86	20,001,869	
2 Longwalk	50,914	246.03	12,526,539	
Totals	**132,268 ft²**		**32,528,408**	**32,528,408**
Contingency		5.00%	1,626,420	
				1,626,420

PROFESSIONAL FEES			
Professional Fees	10.00%	3,252,841	
			3,252,841

APPRAISAL SUMMARY — MONTAGU EVANS LLP

Stockley Park: 1 & 2 Longwalk
Office Refurb

MARKETING & LETTING				
Marketing	119,598 ft²	2.00	239,196	
Letting Agent Fee		10.00%	508,292	
Letting Legal Fee		5.00%	254,146	
				1,001,633
DISPOSAL FEES				
Sales Agent Fee		1.00%	495,534	
Sales Legal Fee		0.50%	247,767	
				743,301
Tenant Void Costs				
Total Tenant Void Costs				7,316,389
TOTAL COSTS BEFORE FINANCE				**29,408,210**
FINANCE				
Debit Rate 7.500%, Credit Rate 0.000% (Nominal)				
Land			0	
Construction			1,330,348	
Letting			10,788,783	
Other			50,720	
Total Finance Cost				12,169,851
TOTAL COSTS				**41,578,061**
PROFIT				
				7,975,331

Performance Measures	
Profit on Cost%	19.18%
Profit on GDV%	15.00%
Profit on NDV%	16.09%
Development Yield% (on Rent)	12.22%
Equivalent Yield% (Nominal)	9.00%
Equivalent Yield% (True)	9.53%
IRR% (without Interest)	21.41%
Rent Cover	1 yr 7 mths
Profit Erosion (finance rate 7.500)	2 yrs 4 mths