
Financial Viability Assessment

Proposed Development at:
Hayes Town Centre Estate, UB3 3PN

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN

The Savills logo, consisting of the word "savills" in a lowercase, sans-serif font, with the 's' in 'savills' being a darker shade of red than the rest of the text. It is positioned on a yellow rectangular background.

Contents

1.	Instructions and Mandatory Requirements	1
1.1.	Instructions	1
1.2.	Confidentiality	1
1.3.	Report Limitations	2
1.4.	Conflicts of Interest	2
1.5.	Declaration of Previous Involvement with Local Planning Authority	2
1.6.	Date of Appraisals	2
1.7.	Confirmation of Reporting Timescales	2
1.8.	Signatures to the Report	2
2.	Introduction	3
2.1.	The Site	3
2.2.	Proposed Development	4
3.	Planning Policy	7
3.1.	National Planning Policy Framework	7
3.2.	Planning Practice Guidance for Viability ('PPGV')	7
3.3.	The London Plan (2021)	8
3.4.	Hillingdon Local Plan	8
4.	Residential Market Review	11
4.1.	UK Housing Market Update	11
4.2.	Local Residential Market Overview	13
4.3.	Comparable Evidence – New Build Transactions	14
4.4.	Summary	22
5.	Benchmark Land Value	23
5.1.	Existing Use Value	24
5.2.	Landowner Premium	24
5.3.	Alternative Use Value	24
5.4.	Benchmark Land Value – Conclusion	24
6.	Viability Appraisal	25
6.1.	Development Mix	25
6.2.	Phasing Assumptions	27
6.3.	Income-Side Assumptions	28
6.4.	Cost-Side Assumptions	30
6.5.	Viability Results of the Proposed Scheme	32
6.6.	Sensitivity Analysis	33
7.	Conclusion and Recommendations	34
	Appendices	35
	Appendix 1 – Savills Terms of Engagement	
	Appendix 2 – Summary Financial Appraisal	

1. Instructions and Mandatory Requirements

1.1. Instructions

Savills (UK) Ltd has been appointed by London Borough of Hillingdon (the “Applicant”) to prepare a financial viability assessment (“FVA”) in support of a Section 73 planning application for the regeneration and redevelopment of the Hayes Town Centre Estate, UB3 3PN (the “Site”). The FVA is submitted to the London Borough of Hillingdon Council through its role as local planning authority (the “Council”).

In producing this FVA we can confirm that all those involved, including sub-consultants, have acted with objectivity, impartiality, without interference and with reference to all appropriate sources of information required to present our recommendations. Additionally, all those involved have given full consideration to how the proposed development will be delivered and associated financial performance metrics. The conclusions of this FVA have been made with reference to all of the appropriate guidance and policy including:

- National Planning Policy Framework (updated December 2024)
- Planning Policy Guidance (PPG) – Viability (updated September 2019)
- RICS Assessing viability in planning under the National Planning Policy Framework 2019 (2021 and subsequently updated in 2023)
- RICS Financial Viability in Planning: Conduct and Reporting 1st Edition (May 2019)
- Greater London Authority’s Affordable Housing and Viability Supplementary Planning Guidance (SPG) (2017)
- Greater London Authority’s Draft Development Viability London Plan Guidance (May 2023)
- LB Hillingdon Local Plan Part One (November 2012) and Part Two (January 2020).

We confirm that in providing our advice Savills is not retained on a performance-related or contingent fee basis. A copy of our Terms of Engagement is provided in **Appendix 1**.

We confirm that this report and all subsequent engagement with the Council and their reviewer has and will be conducted in a reasonable and transparent manner.

1.2. Confidentiality

We understand that this report will be submitted to the Council as a supporting document to the planning application. The report must not be recited or referred to in any document (save for the consultants instructed by the Council to review our report) without our express prior written consent.

We have separately prepared a non-technical summary of this report to support understanding of our approach and recommendations, which we understand will be made publicly available.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



1.3. Report Limitations

Please note that any advice contained or attached in this report is informal and given purely as guidance. Our views on price are not intended as a formal valuation and should not be relied upon as such. No liability is given to any third party and the financial amounts presented are not in accordance with the RICS Valuation – Global Standards 2020 (incorporating the IVSC International Valuation Standards), together the "Red Book". Neither Savills nor the Applicant can accept any responsibility to any third party who may seek to rely upon it, as a whole or any part as such.

This FVA should be read in conjunction with other supporting documents to be submitted with the planning application which explain the proposed development in more detail and relate this to the surrounding context and planning policy framework for the site.

1.4. Conflicts of Interest

We also confirm that there are no conflicts of interest or known risk of conflicts present which would otherwise prevent us from providing advice in this matter. All contributors to this report have been considered competent and are aware of the RICS requirements, including necessary compliance with mandatory requirements.

1.5. Declaration of Previous Involvement with Local Planning Authority

We confirm that we are unaware of any previous material involvement with the Local Planning Authority relevant for this report. We confirm that we have not undertaken an area wide FVA concerning existing and future policies against which this FVA will in due course be considered.

1.6. Date of Appraisals

The date of the Appraisal(s) is the date of this FVA.

1.7. Confirmation of Reporting Timescales

We can confirm that an adequate amount of time has been allowed for the preparation of this report and the timeframes stated within our Terms of Engagement were not extended.

1.8. Signatures to the Report

Prepared by

A handwritten signature in blue ink, appearing to read "DK", followed by a long horizontal flourish.

Dan Kehoe MRICS
Director, Savills (UK) Ltd

2. Introduction

Savills (UK) Ltd has been appointed by London Borough of Hillingdon (the “Applicant”) to prepare a financial viability assessment (“FVA”) in support of a Section 73 planning application for the regeneration and redevelopment of the Hayes Town Centre Estate, UB3 3PN (the “Site”). The FVA is submitted to the London Borough of Hillingdon Council through its role as local planning authority (the “Council”).

The Applicant is working with the London Borough of Hillingdon Council (as their development partner) to deliver the regeneration of the Site.

This FVA accompanies a planning application which proposes the comprehensive regeneration of the Site to significantly increase the amount and quality of housing accommodated. Benefits of the application include:

- Replacement and additional affordable housing
- A sustainable mixed and inclusive community
- Improved public realm and amenities for the local community, and
- A high standard of design throughout all tenure types.

The purpose of this report is to present a robust analysis of the level of planning contributions (including affordable housing and other Section 106 and Community Infrastructure Levy financial contributions) the proposed scheme can justifiably provide.

2.1. The Site

The Hayes Town Centre Estate is centrally located in Hayes, adjacent to the Grand Union Canal. It benefits from excellent connectivity, being within walking distance of Hayes & Harlington Station, which offers direct connections to Central London and Heathrow via the Elizabeth Line. The approved redevelopment proposals include the demolition of the existing estate and the construction of approximately 500 new homes, alongside a new community centre and associated landscaping.

The extant consent is a hybrid planning permission, with a detailed element (Phase 1) comprising 80 homes across two blocks (Blocks A and B) an outline element (Phase 2-5) with all matters reserved. Following the discharge of relevant planning conditions and the approval of previous amendment applications, Blocks A and B are currently under construction, with completion and handover anticipated in early 2026.

This Section 73 application seeks to revise specific conditions of the original planning consent (reference 76550/APP/2021/4499), including conditions 3 (approved plans), 4 (approved documents), 5 (land use/quantum), 6 (housing mix), 7 (phasing plan), 9 (density), and 10 (building heights).

The proposed Section 73 amendments encompass the following key changes to the outline area:

- An increase of 62 residential units overall, including an uplift of 32 affordable homes.
- The joining of blocks to create a more coherent street pattern, enhanced security, a larger podium amenity space, and more efficient podium parking.
- A reduction in on-street parking provision to facilitate the creation of additional green spaces.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



- An improvement to the scale of the streetscape, with 2-3 storey houses proposed on both sides of Austin Road to establish a mews character.
- Relocation of the community facility to enable its delivery in an earlier phase, thereby precluding the need for a temporary facility.

The western and southern parts of the estate are located within the Hayes Town Centre boundary, which has a district-wide role as a focal point for convenience goods and services as well as public transport links. The Site is bordered to the north by Pump Lane; to the east by two storey semi-detached dwellings, as well as commercial and light industrial/warehouse units; to the south by Western View and the Grand Union Canal; and to the west by Crown Close.

Pedestrian connections between the Site and its surroundings are limited to the primary access off Pump Lane to the north, a central east-west underpass that runs through the site and a raised east-west walkway at the southern end, along Western View. Internally within the Site, pedestrian movement is north-south orientated along the boundaries and via a semi-private raised walkway which runs through the centre of the existing estate and is gated at both ends.

Hayes & Harlington train station is approximately 0.3 miles to the south, providing direct services to London Paddington, Heathrow Airport and Reading. It is also situated on the Crossrail route which provides regular access into central London. The railway line serving the station runs east - west to the south of the Site and crosses the Grand Union Canal to the south east of the Site. The area to the south of the railway is mixed in use with residential terraces, industrial units, and an Asda superstore.

With regard to road links, the Site is situated approximately 0.4 miles north west of the A312, which connects to the A40 and the M4, both of which provide access to the M25. The prime town centre location of the estate means it is within close proximity to extensive public transport infrastructure and lends itself to a very good Public Transport Accessibility Level (PTAL), the vast majority being within PTAL 5, with an element within PTAL 4, based on the appointed transport consultant's manual PTAL calculation (noting TfL's 2031 forecast of entirely PTAL 4-5 for the estate as a whole).

2.2. Proposed Development

For the purpose of this application, we have modelled the following development mix incorporating 80 dwellings already under construction in Phase 1, alongside a further 482 dwellings to come forward through future phases:

Phase 1

Unit Type	Private Sale	Social Rent	Shared Equity	Total
1B2P Flat	-	17	5	22
1B2P Flat (wc)	-	1	-	1
2B3P Flat (wc)	-	1	-	1
2B4P Flat	-	17	9	26
2B4P Flat (wc)	-	7	-	7
2B4P Mais	-	3	-	3
3B5P Flat	-	11	5	16
4B7P Mais	-	4	-	4
Total	-	61	19	80

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



Phase 2

Unit Type	Private Sale	Social Rent	Total
3B5P House	-	10	10
4B7P Mais	-	2	2
Total	-	12	12

Phase 3

Unit Type	Private Sale	Social Rent	Total
1B2P Flat	9	56	65
1B2P Flat (wc)	1	2	3
2B3P Flat (wc)	3	9	12
2B4P Flat	6	52	58
2B4P Flat (wc)	2	10	12
2B4P Mais	-	7	7
3B4P Flat (wc)	2	1	3
3B5P Flat	6	37	43
3B5P Mais	-	8	8
3B5P House	-	10	10
3B6P Flat	-	2	2
4B7P Mais	-	4	4
Total	29	198	227

Phase 4

Unit Type	Private Sale	Social Rent	Total
1B1P Flat	50	-	50
1B2P Flat	35	-	35
1B2P Flat (wc)	1	-	1
2B3P Flat	50	-	50
2B3P Flat (wc)	13	-	13
2B4P Flat	75	-	75
2B4P Flat (wc)	1	-	1
2B4P Mais	5	-	5
3B5P Flat	6	-	6
3B5P Mais	6	-	6
3B6P Flat	1	-	1
Total	243	-	243

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



Overall

Unit Type	Private Sale	Social Rent	Shared Equity	Total
1B1P Flat	50	-	-	50
1B2P Flat	44	73	5	122
1B2P Flat (wc)	2	3	-	5
2B3P Flat	50	-	-	50
2B3P Flat (wc)	16	10	-	26
2B4P Flat	81	69	9	159
2B4P Flat (wc)	3	17	-	20
2B4P Mais	5	10	-	15
3B4P Flat (wc)	2	1	-	3
3B5P Flat	12	48	5	65
3B5P Mais	6	8	-	14
3B5P House	-	20	-	20
3B6P Flat	1	2	-	3
4B7P Mais	-	10	-	10
Total	272	271	19	562

In terms of the affordable housing offer, 271 homes will be Social Rent tenure, equating to 48% by unit number and 54% by habitable room, both of which are improvements compared to the consented hybrid permission. This also represents an increase of 72 social dwellings compared to the original social housing provision present on the Estate. The provision is supported by GLA grant funding provided to the project via LB Hillingdon Council, who will be acquiring these homes from the Applicant.

In addition to the above residential accommodation, a community room is proposed within Phase 3, measuring 318 sqm (GIA), an increase from the 140 sqm (GIA) space included within the consented hybrid permission.

3. Planning Policy

3.1. National Planning Policy Framework

The National Planning Policy Framework (NPPF) was last updated by the Ministry of Housing, Communities and Local Government in December 2024, and sets out the Government's national planning policy. It does not change the statutory status of the development plan as the starting point for decision making, and states that development which accords with an up to date Local Plan should be approved. It retains the presumption in favour of sustainable development. There is a focus towards early engagement with Local Planning Authorities by developers, which the Applicant has sought to carry out prior to the submission of a formal planning application.

Of particular reference is paragraphs 58 and 59, which state that:

"Planning obligations must only be sought where they meet all of the following tests:

- a) necessary to make the development acceptable in planning terms;*
- b) directly related to the development; and*
- c) fairly and reasonably related in scale and kind to the development."*

"Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstance since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available."

3.2. Planning Practice Guidance for Viability ('PPGV')

The Government's national planning guidance for understanding viability in both plan making and decision taking is set out within national Planning Practice Guidance for Viability ('PPGV').

Detailed guidance is provided with regard to viability assessment in decision-taking upon individual schemes at the application stage. Firstly, it is the responsibility of the applicant to demonstrate the particular circumstances justifying the need for viability assessment. Whilst not stated as exhaustive, examples stated in PPGV are:

- Where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan;
- Where further information on infrastructure or site costs is required;
- Where particular types of development are proposed which may significantly vary from standard models of development for sale (for example BTR or housing for older people); or
- Where a recession or similar significant economic changes have occurred since the plan was brought into force.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



Paragraph 20 confirms that the inputs and findings of any viability assessment should be set out in a way that aids clear interpretation and interrogation by decision makers. Reports and findings should clearly state what assumptions have been made about costs and values (including gross development value, benchmark land value ('BLV') including the landowner premium, developer's return and costs).

Paragraph 10 confirms the applicant's viability assessment must be based upon and refer back to the viability assessment that informed the plan, and transparently present evidence of any change in site circumstances since the plan was brought into force. It should reflect the Government's recommended approach to defining key inputs as set out in PPGV.

3.3. The London Plan (2021)

At a regional level, the Greater London Authority (GLA) published its new London Plan in March 2021. The plan sets out a strategic target to deliver 522,870 new homes, of which 10,830 are to be delivered in Hillingdon over the 10-year period from 2019/20 to 2028/29.

The London Plan requires that affordable housing is provided on sites which have capacity to provide 10 or more homes. London Plan Policy H4 sets a strategic target of 50% of all new homes delivered across London to be genuinely affordable and advises specific measures to achieve this aim which for major developments should be in accordance with the threshold approach set out under LP Policy H5's Threshold Approach. For estate regeneration schemes specifically, such as the Proposed Development subject to this HPA, Footnote 52 is clear that separate affordable housing requirements as set out under LP Policy H8 are applicable.

LP Policy H8 (Part A) states that: 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". It resists the demolition of affordable housing unless it is replaced by an equivalent amount of affordable housing floorspace, and affordable housing floorspace is re-provided on a "like-for-like" basis (ie. Social Rent housing replaced with Social Rent housing where facilitating the right to return) and integrated into the development to ensure mixed and inclusive communities (Part D). If not facilitating a right to return, it may be provided as either Social Rent or London Affordable Rent housing. This re-provision is based on affordable floorspace plus unit numbers and habitable rooms to ensure no overall net loss. Policy LP H8 goes on to state that all development proposals that include the demolition and replacement of affordable housing should follow the Viability Tested Route and seek to provide an uplift, where viable, in addition to re-provision (Part E).

3.4. Hillingdon Local Plan

The Local Plan is the foundation of how development will be controlled in Hillingdon up to 2026. The two sections of the Local Plan forms the Council's future development strategy for the borough. Together the documents set out a framework and detailed policies to guide planning decisions and it is the starting point for considering whether planning applications should be approved.

The Local Plan Part 1 sets out the overall level and broad locations of growth for the plan period. It comprises a spatial vision and strategy, strategic objectives, core policies and a monitoring and implementation framework with clear objectives for achieving delivery. It was adopted in 2012 and the enclosed policies are supported by more detailed policies and allocations set out in the Local Plan Part 2.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



The Local Plan Part 2 comprises Development Management Policies, Site Allocations and Designations and the Policies Map. The Local Plan Part 2 Development Management Policies and Site Allocations and Designations were adopted as part of the borough's development plan at Full Council on 16 January 2020. This replaces the Local Plan Part 2 Saved UDP Policies (2012).

Local Plan Part 1

With regards to affordable housing, Policy H2 outlines the need for range of housing to meet the needs of all types of households and the Council will seek to maximise the delivery of affordable housing from all sites over the period of the Hillingdon Local Plan Part 1. Accepting the complex nature of market conditions in Hillingdon, it is stated that a "one size fits all approach to tenure provision will not be suitable for all areas in the borough". The policy consequently facilitates a degree of flexibility in terms of the application of Policy H2, subject to the provision of robust evidence.

Local Plan Part 2

Policy DMH7 outlines that *"subject to viability and if appropriate in all circumstances, a minimum of 35% of all new homes on sites of 10 or more units should be delivered as affordable housing, with the tenure split 70% Social/Affordable Rent and 30% Intermediate."*

Site Designations and Allocations

As defined by the Development Plan, the Site is located within the following designations:

- The wider GLA's Heathrow/Elizabeth Line West Growth Corridor;
- Hayes Opportunity Area;
- Hayes Town Centre; and
- Hayes Housing Zone (HHZ).

The Site is also allocated for residential redevelopment purposes under a wider (adopted) allocation SA23 (Silverdale Road/Western View) of LBH's Local Plan Part 2 ("LPP2") (January 2020). SA23 is broken down into three sub-areas (Sites A, B and C) and the existing estate falls within Site C being identified for delivery of 400 units (gross) as part of a wider circa 640 unit delivery across the sub-areas as a whole.

The focus of SA23 is the Council's desire to support catalytic regeneration of the area with the focus to significantly improve existing housing stock within the estate. It is considered that there is a unique opportunity to optimise density through the current proposals beyond that identified within the allocation for the site.

More specifically the allocation requires any development scheme at Site C to pay particular regard to the following criteria, as set out under Policy SA23:

- The provision of 400 residential units (gross) in accordance with the London Plan density range for urban locations, to reflect the Council's latest evidence on housing need.
- The proposals should include improved connectivity between Silverdale Road, Western View, Austin Road and Hayes Town Centre.
- The provision of appropriate new public open space.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



- Proposals should include high quality design to fully integrate with the Grand Union Canal, ensure canal side access and promote canal-side activity to maximise recreational potential.
- Development should contribute to the enhancement of the Strategic Canal and River Corridors, in accordance with relevant policies on the Blue Ribbon Network.

Within Hayes Town Centre, high densities are actively promoted at London Plan and local plan level whilst also being situated within the designated Hayes Housing Zone (HHZ) (where the HHZ is expected to deliver a significant proportion of the Council's housing requirement).

4. Residential Market Review

4.1. UK Housing Market Update

House prices grew by 0.5% in September, according to Nationwide. That put price growth at 1.1% over the last three months and 2.5% over the last year, surprisingly strong numbers given the lingering uncertainty in the market. There is a clear North-South split, with the North East and Yorkshire and the Humber seeing 5.2% and 3.9% annual growth, compared to less than 1% across the South and London.

National activity levels are broadly in line with pre-Covid norms. Sales agreed were 5% above the 2017-19 average in September, whilst mortgage approvals were only 4% below the 10 year average in August. The number of completed transactions in August was 10% below the 2017-19 level, but given the strength of other indicators this may still be part of normalisation following the April SDLT change.

There is more activity in the North, where price growth is strongest. Exchange numbers over the last six months were above the pre-pandemic average in the North, but below in the South and Midlands. London was above pre-pandemic levels, but this compared to a weaker 2017-19 market. Demand for properties above £500,000 has declined ahead of the Budget, according to Zoopla, and we have seen lower sentiment in prime markets. This is due to speculation around property taxes on higher value homes, which would disproportionately affect higher value markets in London and the South.

The outlook for both house prices and activity levels looks increasingly challenging, despite improved affordability. Lower mortgage rates alongside relatively strong wage growth have improved the affordability of buying a house over the last year. But consumer confidence remains subdued and the RICS survey for September has reported fewer buyer enquiries and fewer instructions to sell for the second month in a row.

Affordability improvements may be on pause as inflation remains sticky. In its September meeting, the Bank of England Monetary Policy Committee voted to hold the base rate at 4%, citing persistent inflation. While initially forecasting a further base rate cut in Q4, Oxford Economics are now forecasting the next cut to come in Q1 2026 as the forthcoming Budget falls awkwardly between the last two meetings in 2025. As a result, mortgage rates will largely be held until base rate cuts resume again.

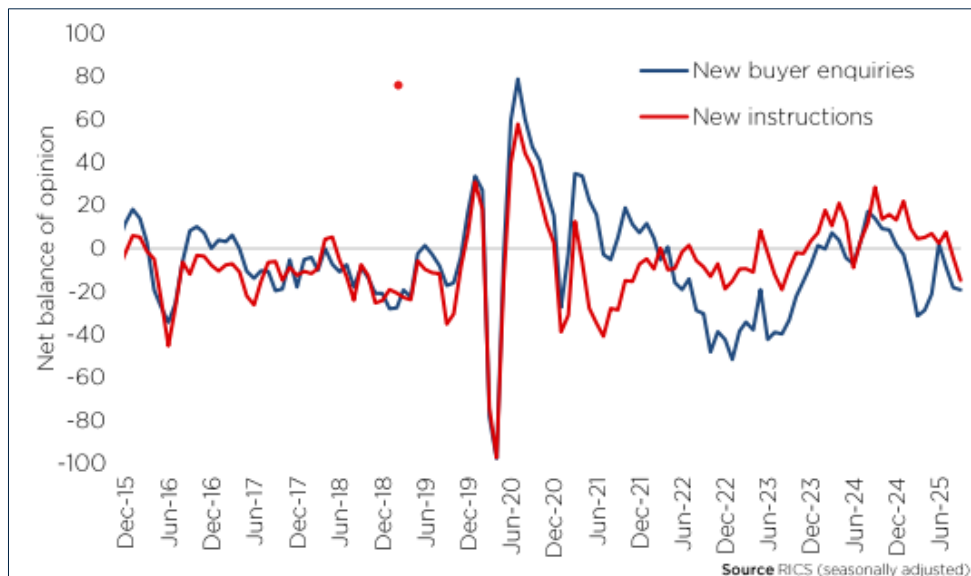
The majority of surveyors reported new buyer enquiries falling further into negative sentiment. The Budget announcement may have spooked buyers in certain parts of the market. New instructions fell further this month. The dip into negative territory in August, the first time both measures have been negative since June 2024, and the further falls in September could lead to a quieter market heading into the last quarter of the year.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN

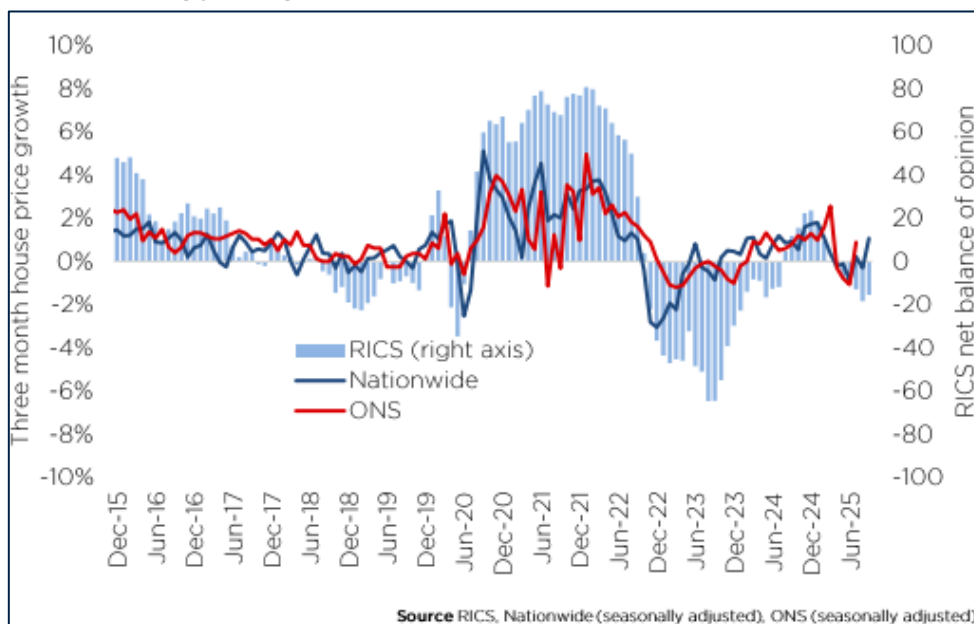


Surveyors reported a further drop in new buyer enquiries in September



Price indicators are presenting a mixed picture. The RICS survey can be a good early indicator of house price movements, saw an increased majority of surveyors reporting price falls. Nationwide, however, reported a surprisingly strong September, with house prices growing by 1.1% on a three monthly-basis. This may be reflecting some of the initial weakness in the aftermath of the SDLT changes. The more lagged ONS index reported 0.9% growth in July.

Nationwide reported a surprisingly strong September while RICS was down



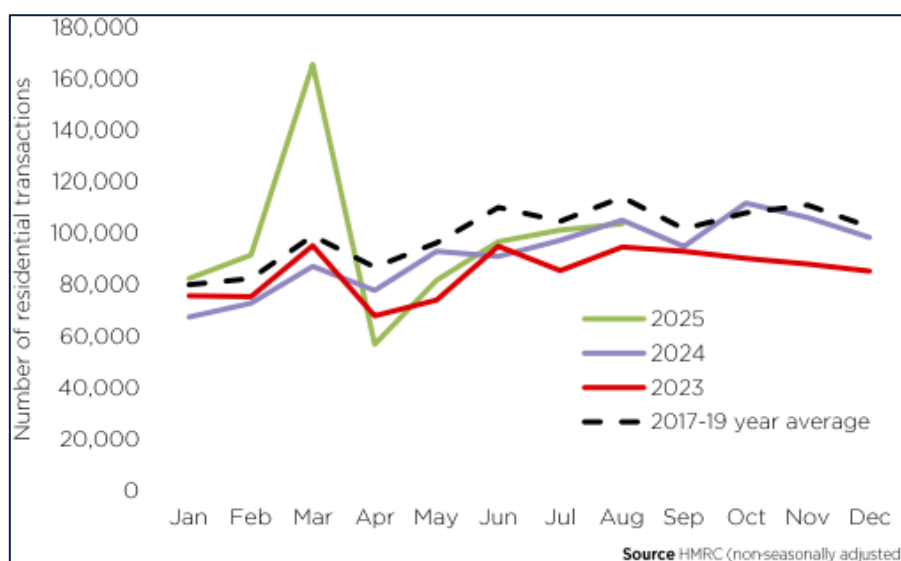
Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



In August there were 103,610 transactions completed, according to HMRC. This took transaction numbers 10% below pre-Covid norms, in line with the weaker market in 2024. This was a surprisingly poor outturn following the relatively strong July figure and the strength of other indicators, including sales agreed and mortgage approvals. Outside of SDLT changes and other market disruption, August is usually the peak month for transaction completions. Numbers may improve over the rest of 2025, but buyers and sellers may seek to delay deals amidst market and budget uncertainty.

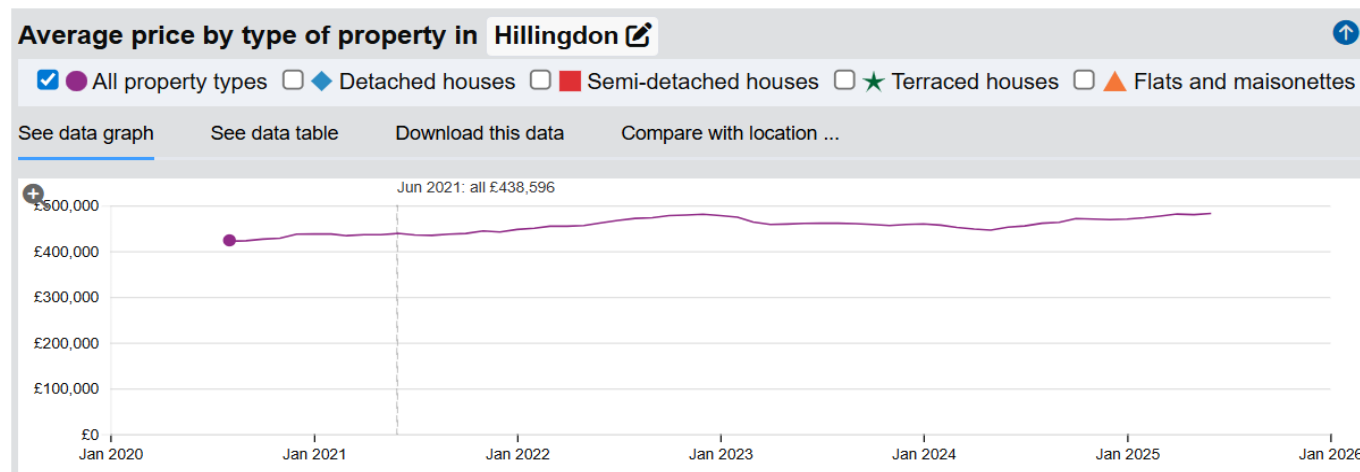
Monthly transaction volumes still affected by the SDLT changes in April



4.2. Local Residential Market Overview

4.2.1. Local Market Commentary

UK House Price index data indicates that on average, prices have increased by 6.6% from June 2024 to June 2025 for all property types in Hillingdon (the most recent available data) with the current average price sitting at £482,201. Since June 2020 (five-year trend), average values have increased by approximately 16.4%. The performance over the last five years can be seen detailed in the graph below.



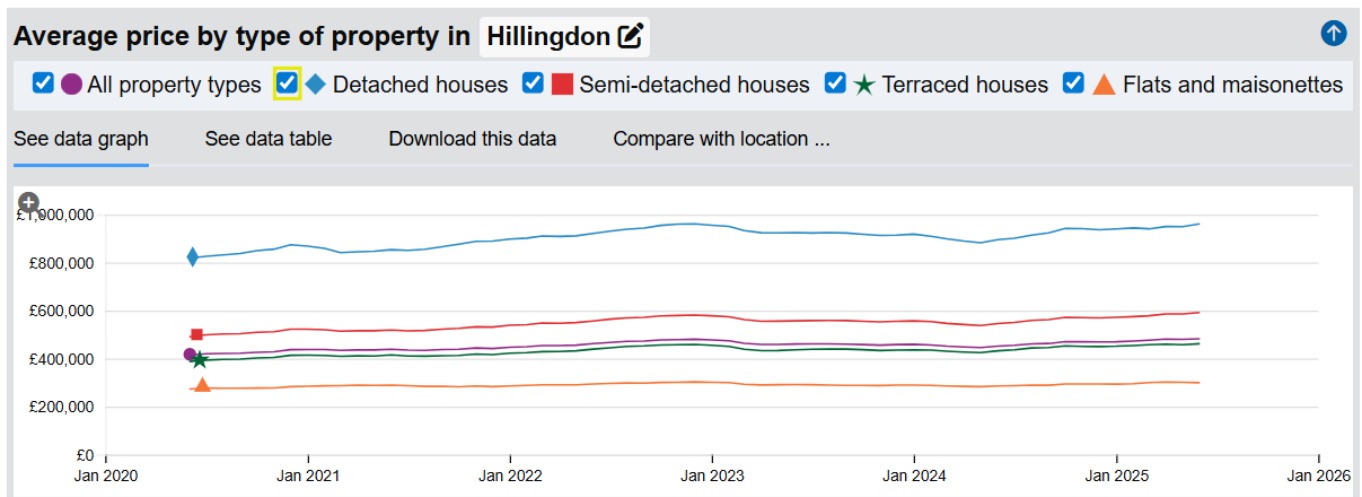
Source: UK House Price Index

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



The performance of all different property types is displayed in the following chart. The graph clearly shows that all properties have followed a similar trend over the last five years, with the average price for flats currently sitting at £299,517 (+4.7% in the preceding 12 months). The chart highlights the average values across all property types in Hillingdon.



Source: UK House Price Index

It should be noted that this information is for the whole of the Hillingdon local authority area and data of this nature often conceals local variations. Furthermore, there is often a slight time-lag with the data as sales prices will be agreed and contracts exchanged well in advance of registration with the Land Registry.

4.3. Comparable Evidence – New Build Transactions

In reaching our opinion of value for the proposed residential development at the Site, we have had regard to sales of comparable properties in the local area, and discussions with both our Savills in-house agency team and other local agents.

Our opinion of value is based on market evidence which has come into our possession from numerous sources. That from other agents and valuers is given in good faith but without liability. It is often provided in verbal form. Some comes from databases such as the Land Registry or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions, we are unable to warrant that the information on which we have relied is correct although we believe it to be so.

Hayes Village



Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



Hayes Village is a key urban regeneration project in Hayes being delivered by Barratt Homes, located approximately 0.8 miles to the south of the Hayes Town Centre estate, to the south of the Grand Union Canal, at the site of the former Nestle factory. The development will provide over 1,300 new homes, and will be delivered over a 7-year period. Marketing of Phase 1 initially launched in July 2019, which included three separate blocks, Dufour, Nestle and Thornton, all of which have now sold out. Barnet Apartments, which completed in Q2 2023, consists of 108 units which sold out in Q4 2023.

Block B, which consists of Richart Apartments (43 units), Waterway Apartments (72 units), and Berg Apartments (46 units), are completing between 2024 and 2025. At the end of Q2 2025, Richart Apartments had sold 42 units, Waterway Apartments had sold 65 units, and Berg Apartments had sold 35 units – with 18 units completed at the end of Q2 2025. Sheardown was launched in May 2025 internationally and 8 units have been sold, with completion expected to be due in September 2025. 64 units in total were sold during Q2 2025 to UK individuals and investors wanting complete stock, and a small bulk deal that was done in Berg Apartments to an overseas buyer. There is strong overseas appetite for this phase, with a 70:30 overseas / UK sales split reported in January 2025.

B3, which has not yet been named, will follow in September 2025 and is expected to complete in December 2025 / January 2026. Other B cores are due to be launched later and will complete in Q2 2026, and Block C – the remaining 233 private units – has not commenced or been launched.

Barratt are offering up to a £30,000 contribution by way of a mortgage contribution, deposit contribution or help towards moving and running costs. They are also including flooring throughout the home as an incentive. Recent asking prices (March 2025 and June 2025) for apartments are set out in the table below.

Plot	Floor	Beds	Sqm	Sqft	Asking Price	Price PSF
019 Berg	3	1	51	550	£347,000	£631
488 Waterway	3	1	51	550	£347,000	£631
039 Berg	6	1	51	550	£356,000	£647
Average 1-beds			51	550	£350,000	£636
021 Berg	4	2	87	934	£515,000	£551
382 Richart	9	2	67	721	£450,000	£624
389 Richart	10	2	67	719	£465,000	£647
006 Berg	2	2	67	718	£455,000	£634
013 Berg	3	2	67	718	£430,000	£599
489 Waterway	10	2	67	719	£489,000	£680
Average 2-beds			70	755	£467,333	£622
463 Waterway*	7	3	78	838	£565,000	£674
470 Waterway	8	3	78	838	£570,000	£680
494 Berg	8	3	79	846	£590,000	£697
Average 3-beds			78	841	£575,000	£684

*Available with £29,000 mortgage deposit boost, asking price shown

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



The data provided above shows an average price for 1-bed apartments at £350,000 (£636 psf), 2-bed apartments at £467,333 (£622 psf) and 3-bed apartments at £575,000 (£684 psf). Based on our research, asking prices appear to have remained fairly consistent in the last 12-18 months, with no discernible increase in line with that suggested by the house price trends reported by Land Registry.

Six units have been resold at Hayes Village at the time of writing:

- Flat 6, Laurina Apartments first sold in December 2020 for £416,500, and was resold for £440,000 in March 2025.
- Flat 19, Laurina Apartments first sold in December 2020 for £433,000, and was resold for £427,000 in March 2025.
- Flat 21, Laurina Apartments first sold in December 2020 for £412,300, and was resold for £435,000 in October 2024.
- Flat 45, Laurina Apartments first sold in December 2020 for £420,000, and was resold for £427,500 in March 2023.
- Flat 17, Truscon House first sold in June 2022 for £317,000, and was resold for £325,000 in March 2024.
- Flat 51, Forastero House first sold in June 2023 for £299,460, and was resold for £305,000 in August 2024.

Overall we believe Hayes Village represents the best comparable scheme available, and would therefore anticipate pricing at the subject scheme to be broadly similar subject to variances in the size of properties. However, some discount would be anticipated due to the reduced impact of wider place making benefits at the Site that are otherwise evident at Hayes Village.

The Green Quarter



The Green Quarter is a key urban regeneration project in Southall being delivered by the Berkeley Homes Group. Development began in Q4 2021, built on the former Southall Gas Works. It is located 2.9 miles to the east of Hayes Town Centre and to the south of the Grand Union Canal. The development will provide 645 new homes, with 450 private and 195 affordable, and it also features 13 acres of parkland and 1.5km of canal frontage.

The development currently comprises Building D (The Harris), Building E (Quadrant House), Building F (Rosemary House), and Buildings A, B, and C. As of Q2 2025, The Harris has sold all 84 private units, and Quadrant House (96 flats and 3 house) has 16 flats and 2 houses left to sell. Rosemary House, which comprises 30 private units and 54 shared ownership units, has 17 private units which remain to be sold, with completions on ten private units expected to continue through to October 2025. Buildings A (58 units), B (53 units), and C (84 units) offer only affordable housing, of which all units are complete. Buildings G (99 private units) and H (84 private units), along with three houses, were due to complete in 2026 but have not been launched and were on hold. However, as of July 2025, LB Ealing is buying the 180 flats in Buildings G and H. They were previously all permitted as private but Block G will be delivered for social rent and Block H for London Living Rent. These buildings are expected to complete in Q3 2026.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



Berkeley are offering a 5% deposit with an additional 5% deposit contribution. Recent asking prices (March 2025 and June 2025) for apartments are set out in the table below:

Plot	Floor	Beds	Sqm	Sqft	Asking Price	Price PSF
458	5	1	51	544	£360,000	£662
Average 1-beds			51	544	£360,000	£662
320	5	2	75	810	£544,000	£672
348	5	2	71	768	£545,000	£710
442	5	2	77	834	£525,000	£629
439	5	2	73	784	£530,000	£676
441	5	2	77	834	£525,000	£629
451	5	2	76	813	£545,000	£670
452	5	2	71	768	£545,000	£710
462	5	2	78	841	£505,000	£600
Average 2-beds			75	807	£533,000	£662
369	8	3	71	765	£590,000	£771
The Alder	H	3	110	1187	£850,000	£716
The Birch	H	3	111	1191	£850,000	£714
Average 3-bed flat			71	765	£590,000	£771
Average 3-bed house			110	1189	£850,000	£715

The data provided above shows an average price for 1-bed apartments at £360,000 (£662 psf), 2-bed apartments at £533,000 (£662 psf), 3-bed apartments at £590,000 (£771 psf), and 3-bed houses at £850,000 (£715 psf).

No units have been resold at this scheme at the time of writing.

Overall we believe The Green Quarter provides good comparable evidence in terms of market movement, however the pricing is on the higher end of our comparables and the scheme further afield (2.9 miles from Subject Site) than others. Whilst we have had regard to the available evidence, the subject units are priced lower than those available at the Green Quarter.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



Bluenote Apartments



The Bluenote Apartments development is delivered by Bellway Homes. This is a mixed-use scheme with 118 residential units, comprising 87 units private dwellings, with the remaining homes being intermediate tenures. It is located 0.4 miles to the south west of the Hayes Town Centre estate. Construction completed in Q4 2021, with all the private units now sold. Prices achieved at the development in 2022 are outlined below:

Prop No	Address	Postcode	Bed	Price	Date	Sqm	Sqft	£psf
FLAT 78	BLUENOTE APARTMENTS	UB3 1FG	1	£330,000	31/03/2022	50	538	£613
FLAT 99	BLUENOTE APARTMENTS	UB3 1FG	1	£340,000	16/06/2022	50	538	£631
FLAT 109	BLUENOTE APARTMENTS	UB3 1FG	1	£339,500	16/09/2022	50	538	£630
FLAT 61	BLUENOTE APARTMENTS	UB3 1FG	1	£322,000	07/04/2022	51	549	£586
FLAT 69	BLUENOTE APARTMENTS	UB3 1FG	1	£314,000	05/05/2022	51	549	£571
FLAT 77	BLUENOTE APARTMENTS	UB3 1FG	1	£325,000	16/06/2022	51	549	£592
FLAT 84	BLUENOTE APARTMENTS	UB3 1FG	1	£330,000	28/01/2022	51	549	£601
FLAT 67	BLUENOTE APARTMENTS	UB3 1FG	1	£340,000	26/01/2022	53	570	£595
FLAT 83	BLUENOTE APARTMENTS	UB3 1FG	1	£340,000	31/01/2022	53	570	£595
FLAT 90	BLUENOTE APARTMENTS	UB3 1FG	1	£340,000	23/03/2022	53	570	£595
FLAT 102	BLUENOTE APARTMENTS	UB3 1FG	1	£350,000	14/01/2022	53	570	£613
FLAT 107	BLUENOTE APARTMENTS	UB3 1FG	1	£355,000	20/05/2022	53	570	£622
Average 1-beds				£355,458		52	555	£604
FLAT 98	BLUENOTE APARTMENTS	UB3 1FG	2	£405,000	25/02/2022	61	657	£616
FLAT 103	BLUENOTE APARTMENTS	UB3 1FG	2	£402,000	07/01/2022	61	657	£612
FLAT 103	BLUENOTE APARTMENTS	UB3 1FG	2	£402,000	07/01/2022	61	657	£612
FLAT 108	BLUENOTE APARTMENTS	UB3 1FG	2	£410,000	26/04/2022	61	657	£624
FLAT 81	BLUENOTE APARTMENTS	UB3 1FG	2	£420,000	28/01/2022	66	710	£591
FLAT 63	BLUENOTE APARTMENTS	UB3 1FG	2	£400,000	16/08/2022	69	743	£538
Average 2-beds				£406,500		63	680	£598

The data provided above shows an average price for 1-bed apartments at £335,458 (£604 psf) and 2-bed apartments at £406,500 (£598 psf).

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



As the development was sold out at the end of Q1 2022, we have had limited regard to Bluenote Apartments as a comparable when considering our values, albeit it provides further context to local market pricing noting that new build property values have remained relatively stable across the subsequent 2-3 year period.

New Hayes, Pump Lane, UB3



New Hayes is a Fairview New Homes development of 331 units, including, 232 private units and 99 intermediate units. The scheme is located within close proximity to Hayes and Harlington station, almost directly adjacent to the Hayes Town Centre estate. This scheme is a mixed-use development comprising of three residential buildings, ranging from 2 to 11 storeys and providing 710 sqm of ground floor commercial space. New Hayes will include private and community play areas, child play spaces, car parking, secure cycle parking, refuse storage area and other associated development. The scheme completed and sold out during Q3 2023.

Fairview New Homes were offering £20,000 deposit contributions as incentives for properties purchased in 2023. They were also accepting 2-5% reductions on asking price during the same period. Provided below is a schedule of the most recent (March 2023 – June 2023) sales at New Hayes:

Plot	Beds	Price	Sqm	Sqft	Price PSF	Status
216	1	£330,000	52	560	£589	Sold
220	1	£325,000	50	538	£604	Sold
238	1	£300,000	50	541	£555	Sold
Average 1-beds		£318,333	51	546	£583	
275	2	£405,000	65	703	£576	Sold
246	2	£440,000	73	791	£556	Sold
263	2	£400,000	65	701	£571	Sold
Average 2-beds		£415,000	68	732	£568	

The data provided above shows an average price for 1-bed apartments at £318,333 (£583 psf) and 2-bed apartments at £415,000 (£568 psf). We understand that properties were generally sold for asking price, although incentives such as furniture contributions were utilised.

Two properties have resold.

- Flat 30, Mortise House, first sold for £520,000 in March 2023, and was resold at £525,000 in September 2024
- Flat 16, Carpenter House, first sold for £430,000 in September 2021, and was resold at £390,000 in June 2024

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



As the Scheme sold out during Q3 2023, we have had very limited regard to Hayes Village as a comparable when considering our values.

The Venue, The Old Vinyl Factory, Blyth Road



The Old Vinyl Factory site is located approximately 0.8 miles to the west of the subject site. Plot 3 of the Old Vinyl Factory- the Venue consists of 181 units, comprising of 129 private and 52 affordable units. The Venue is well connected, with Hayes & Harlington Station 0.4 miles away with the new Elizabeth line giving quick access to Reading, Heathrow and Central London. This is a mixed-use scheme with 1,252 sqm of flexible commercial floorspace and three separate apartment blocks, each with a maximum of six storeys. Western Homes commenced construction during Q4 2020 and the scheme initially launched June 2021. Construction completed during Q4 2022, and four units remain to be sold at the end of Q2 2025. The price list shows 1-beds from £309,000 - £340,000, with the cheapest unit reduced by 5%.

The scheme first launched in June 2021, and until Help to Buy came to an end last year, 75% of sales at the development were attributed to the scheme. Weston Homes are offering up to £15,000 discount from the purchase price as an incentive. Recent asking prices at the scheme are provided in the table below.

Plot	Beds	Price	Sqm	Sqft	Price PSF
45	1	£309,995	51	547	£567
58	1	£330,000	50	537	£615
183	1	£340,000	72	770	£442
70	1	£335,000	51	544	£616
Average 1-beds		£328,749	56	600	£560
184	3	£575,000	104	1115	£516

The data provided above shows an average price for 1-bed apartments at £328,749 (£560 psf) and one 3-bed apartment at £575,000 (£516 psf). In comparison, historical data from 2024 shows an average price for 1-bed apartments at £327,726 (£606 psf). There has been little to no change in asking prices between 2024 to the present day. The sales agent commented that 2-bed properties are in much higher demand than 1-bed properties and the 1-beds are currently seeing very little interest.

Weston Homes were also offering Discount Market Sale (DMS) homes at The Venue – with a discount of 20% of the full market value for eligible local Borough residents. These have all been sold at the time of writing.

Financial Viability Assessment

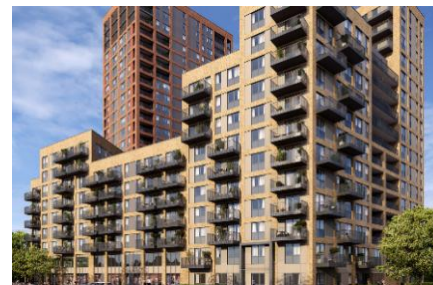
Hayes Town Centre Estate, UB3 3PN



No units have been resold at this scheme at the time of writing.

Overall we believe The Venue represents a good comparable scheme, and would therefore anticipate pricing at the subject scheme to be broadly similar subject to variances in the size of properties and reductions in asking price.

The West Works, 25-27 Merrick Road, Southall



The West Works is a Redrow development of 308 apartments (165 affordable), located in Southall, two miles east of the subject scheme. The scheme benefits from very good access to the local rail network with the nearest train station (Southall Station) located adjacent to the scheme, providing quick access to central London via the new Elizabeth Line.

Construction completed during Q4 2021. The scheme sold out in Q1 2023, with the last 23 units being sold in a pepper-potted bulk deal. In order to encourage more sales before the end of Help to Buy in October 2022, Redrow paid the stamp duty on all of the units sold.

Provided below is a schedule of the most recent achieved sales at The West Works (2023):

Prop No	Address	Postcode	Price	Date	Sqm	Sqft	Price PSF
76	ASHWELL HOUSE	UB2 4WL	£305,040	06/04/2023	57	614	£497
81	ASHWELL HOUSE	UB2 4WL	£286,995	06/04/2023	57	614	£467
85	ASHWELL HOUSE	UB2 4WL	£294,380	06/04/2023	57	614	£479
89	ASHWELL HOUSE	UB2 4WL	£296,020	06/04/2023	57	614	£482
51	ASHWELL HOUSE	UB2 4WL	£346,995	17/02/2023	57	614	£565
4	ASHWELL HOUSE	UB2 4WL	£349,320	06/04/2023	77	829	£421
10	ASHWELL HOUSE	UB2 4WL	£350,960	06/04/2023	77	829	£423
12	ASHWELL HOUSE	UB2 4WL	£356,700	06/04/2023	78	840	£425
16	ASHWELL HOUSE	UB2 4WL	£352,600	06/04/2023	77	829	£425
22	ASHWELL HOUSE	UB2 4WL	£354,240	06/04/2023	77	829	£427
24	ASHWELL HOUSE	UB2 4WL	£360,800	06/04/2023	78	840	£430
28	ASHWELL HOUSE	UB2 4WL	£355,880	06/04/2023	77	829	£429
40	ASHWELL HOUSE	UB2 4WL	£359,160	06/04/2023	77	829	£433
45	ASHWELL HOUSE	UB2 4WL	£360,800	06/04/2023	77	829	£435
52	ASHWELL HOUSE	UB2 4WL	£389,500	06/04/2023	83	893	£436

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



Prop No	Address	Postcode	Price	Date	Sqm	Sqft	Price PSF
57	ASHWELL HOUSE	UB2 4WL	£338,660	06/04/2023	72	775	£437
72	ASHWELL HOUSE	UB2 4WL	£347,680	06/04/2023	72	775	£449
77	ASHWELL HOUSE	UB2 4WL	£349,320	06/04/2023	72	775	£451
82	ASHWELL HOUSE	UB2 4WL	£350,960	06/04/2023	72	775	£453
86	ASHWELL HOUSE	UB2 4WL	£352,600	06/04/2023	72	775	£455
90	ASHWELL HOUSE	UB2 4WL	£354,240	06/04/2023	72	775	£457
98	ASHWELL HOUSE	UB2 4WL	£357,520	06/04/2023	72	775	£461
101	ASHWELL HOUSE	UB2 4WL	£359,160	06/04/2023	72	775	£463
104	ASHWELL HOUSE	UB2 4WL	£360,800	06/04/2023	72	775	£466
18	ASHWELL HOUSE	UB2 4WL	£390,000	30/03/2023	78	840	£464
36	ASHWELL HOUSE	UB2 4WL	£421,500	23/02/2023	78	840	£502
63	ASHWELL HOUSE	UB2 4WL	£410,000	23/01/2023	70	753	£544
46	BUTLEIGH HOUSE	UB2 4WL	£481,150	06/06/2023	98	1055	£456
52	BUTLEIGH HOUSE	UB2 4WL	£389,500	06/04/2023	83	893	£436
Total Average			£356,892		73	782	£458

The data provided above shows an average sold price of £356,892 (£458 psf). As bedroom numbers are not provided with sold data on Molior, we are unable to provide blended averages for each bedroom number.

Four properties have been resold at this scheme:

- Flat 15 Ashwell House, first sold in December 2021 for £297,000 and was resold in March 2025 for £300,000
- Flat 18 Butleigh House, first sold in October 2019 for £420,900 and was resold in November 2019 for £365,000
- Flat 19 Butleigh House, first sold in November 2019 for £317,500 and was resold in March 2025 for £315,000
- Flat 31 Butleigh House, first sold in December 2019 for £455,000 and was resold in January 2022 for £488,000

As the scheme sold out during Q1 2023, we have had very limited regard to The West Works as a comparable when considering our values.

4.4. Summary

From conversations with agents in marketing offices, it is apparent that the end of Help to Buy has had a negative impact on the new-build market in Hayes, as outlined above. While pricing has remained relatively stable across the last 3-4 years, the general consensus is that units are being sold for under the asking price, generally with incentives and contributions from the developer.

Overall, all of the schemes outlined above provide reliable comparable evidence to help form an opinion of value. However, we are of the opinion that Hayes Village is the most useful comparable evidence for the proposed Site. We have also had significant regard to The Venue when forming our opinion of value, although the pricing of this development is slightly softer than our determined market values. We expect the proposed development will offer a similar specification to both of these developments.

5. Benchmark Land Value

One of the fundamental principles of the planning viability process is to ensure that a determination on project viability takes into account the requirement for both developer and landowner to generate a “minimum return” in the latest Planning Policy Guidance.

In order to meet this requirement, it is necessary to determine a Benchmark Land Value (BLV) for the purpose of planning viability negotiations. Fundamentally the BLV should reflect a value at which a landowner would be prepared to release their asset for development.

PPGV, Paragraph 13, confirms the preferred approach is to establish this on the basis of an Existing Use Value (EUV). Paragraph 16 confirms that a premium should be applied to the EUV as appropriate:

“...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 for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements”

Alongside this, Paragraph 17 confirms that an Alternative Use Value (AUV) approach may also be used to inform the assessment of BLV. The PPGV states:

“If applying alternative uses when establishing benchmark land value these should be limited to those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. Where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV.”

Importantly, an assessment reflecting an AUV approach must ensure that this would fully comply with up to date development plan policies and demonstrate that there is market demand for that use.

The GLA’s preferred approach to analysing BLV in a planning viability context was outlined in the Mayor of London’s “Homes for Londoners” Supplementary Planning Guidance (SPG) in 2017.¹ With respect to the assessment of BLV, the SPG states:

“In light of inference to the contrary, either ‘Market Value’, ‘Alternative Use Value’ or ‘Existing Use Value plus’ based approaches can address this requirement where correctly applied; their appropriate application depends on specific circumstances. On balance, the GLA has found that the ‘Existing Use Value plus’ based approach is generally more helpful for planning purposes and supports this approach. The ‘plus’ element will vary on a case by case basis based on the circumstances of the site and owner and policy requirements.”

It goes on to say that the premium applied above EUV should be:

“fully justified based on the income generating capacity of the existing use with reference to comparable evidence on rents, which excludes hope value associated with development on the site or alternative uses”.

¹ “Homes for Londoners – Affordable Housing and Viability Supplementary Planning Guidance 2017” Mayor of London, Greater London Authority (2017)

Paragraph 3.43 of the SPG states that:

“The premium could be 10 per cent to 30 per cent, but must reflect site specific circumstances and will vary... The level of premium can be informed by benchmark land values that have been accepted for planning purposes on other comparable sites where determined on a basis that is consistent with this guidance.”

From a technical perspective, the Royal Institution of Chartered Surveyors (RICS) published its latest guidance note “Assessing viability in planning under the National Planning Policy Framework 2019 for England” in March 2021. The RICS technical guidance continues to advocate assessing BLV through an EUV plus premium, and an AUV, basis.

Our assessment focuses upon a consideration of EUV plus premium and AUV for the purpose of this assessment, recognising the guidance prescribed in regional and national policy.

5.1. Existing Use Value

In the context of the Site, prior to the commencement of regeneration the Council undertook an options appraisal exercise which considered alternative interventions for estate improvement. The recommendation following this process was to pursue a comprehensive regeneration strategy, recognising the unsustainable long-term investment requirement for the existing homes.

However, as set out later in this report, the cost of assembling the relevant property interests in order to enable delivery is significant and will form an important cost item for the project. Therefore, from the Applicant’s perspective, the costs associated with acquiring and assembling third party interest across the Site must be accounted for.

For the purpose of our assessment, we have assumed a nominal EUV of £1 for the Site.

5.2. Landowner Premium

As outlined above, national and regional policy requires consideration of a landowner premium above the EUV to reflect the incentive required for the Site to be released for development. There is no pre-determined formula for establishing the premium for EUV, which will reflect factors unique to each specific application site. GLA guidance suggests that a premium of 10%-30% is commonly applied, albeit the PPGV does not specify a particular range to be adopted.

Given the nominal EUV adopted, we do not consider it appropriate to reflect a landowner premium in this instance.

5.3. Alternative Use Value

Given the nature of the application we have not sought to consider an AUV for the Site.

5.4. Benchmark Land Value – Conclusion

Our assessment has primarily considered the Site’s Existing Use Value alongside options for Alternative Use Value, ensuring our approach aligns with technical guidance and national and regional planning policy.

For the purpose of this assessment we have adopted a BLV of £1 for the Site.

6. Viability Appraisal

The appraisal model utilised for this viability assessment is Argus Developer, which is a leading real estate development feasibility programme and provides a comprehensive and easy to review analysis tool. The summary results and key inputs are detailed within this Section.

The appraisal has been produced in good faith and all inputs have been provided by the Applicant or their appointed project team. The appraisal is based on all available information at the date of this report and in consideration that works have not commenced on-site, every effort has been made by the Applicant to provide accurate and robust data which shows a true reflection of the Site and the costs/incomes anticipated.

6.1. Development Mix

6.1.1. Residential Uses

The proposed development comprises 562 dwellings to be delivered across four construction phases. We have modelled the following development mix incorporating 80 dwellings already under construction in Phase 1 (due for completion March 2026), alongside a further 482 dwellings to come forward through future phases:

Phase 1 (completed March 2026)

Unit Type	Private Sale	Social Rent	Shared Equity	Total
1B2P Flat	-	17	5	22
1B2P Flat (wc)	-	1	-	1
2B3P Flat (wc)	-	1	-	1
2B4P Flat	-	17	9	26
2B4P Flat (wc)	-	7	-	7
2B4P Mais	-	3	-	3
3B5P Flat	-	11	5	16
4B7P Mais	-	4	-	4
Total	-	61	19	80

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



Phase 2

Unit Type	Private Sale	Social Rent	Total
3B5P House	-	10	10
4B7P Mais	-	2	2
Total	-	12	12

Phase 3

Unit Type	Private Sale	Social Rent	Total
1B2P Flat	9	56	65
1B2P Flat (wc)	1	2	3
2B3P Flat (wc)	3	9	12
2B4P Flat	6	52	58
2B4P Flat (wc)	2	10	12
2B4P Mais	-	7	7
3B4P Flat (wc)	2	1	3
3B5P Flat	6	37	43
3B5P Mais	-	8	8
3B5P House	-	10	10
3B6P Flat	-	2	2
4B7P Mais	-	4	4
Total	29	198	227

Phase 4

Unit Type	Private Sale	Social Rent	Total
1B1P Flat	50	-	50
1B2P Flat	35	-	35
1B2P Flat (wc)	1	-	1
2B3P Flat	50	-	50
2B3P Flat (wc)	13	-	13
2B4P Flat	75	-	75
2B4P Flat (wc)	1	-	1
2B4P Mais	5	-	5
3B5P Flat	6	-	6
3B5P Mais	6	-	6
3B6P Flat	1	-	1
Total	243	-	243

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



Overall

Unit Type	Private Sale	Social Rent	Shared Equity	Total
1B1P Flat	50	-	-	50
1B2P Flat	44	73	5	122
1B2P Flat (wc)	2	3	-	5
2B3P Flat	50	-	-	50
2B3P Flat (wc)	16	10	-	26
2B4P Flat	81	69	9	159
2B4P Flat (wc)	3	17	-	20
2B4P Mais	5	10	-	15
3B4P Flat (wc)	2	1	-	3
3B5P Flat	12	48	5	65
3B5P Mais	6	8	-	14
3B5P House	-	20	-	20
3B6P Flat	1	2	-	3
4B7P Mais	-	10	-	10
Total	272	271	19	562

In terms of the affordable housing offer, 271 homes will be Social Rent tenure, equating to 48% by unit number and 54% by habitable room, both of which are improvements compared to the consented hybrid permission. This also represents an increase of 72 social dwellings compared to the original social housing provision present on the Estate. The provision is supported by GLA grant funding provided to the project via LB Hillingdon Council, who will be acquiring these homes from the Applicant.

In addition to the above residential accommodation, a community room is proposed within Phase 3, measuring 318 sqm (GIA), an increase from the 140 sqm (GIA) space included within the consented hybrid permission.

6.2. Phasing Assumptions

The following phasing assumptions have been applied for the construction and sales programme for the project based on programme information supplied by the Applicant:

Phase	Construction Start	Construction End	Months
1	September 2023	March 2026	31
2	March 2027	October 2028	18
3	April 2027	November 2029	33
4	January 2028	December 2030	36

As demonstrated in the above tables, the general intention of the regeneration is to focus on the earlier delivery of re-provision and additional Social Rent homes in earlier phases, whilst delivering some private for sale housing through the project to assist with project cashflowing. Three phases of social-housing focused delivery then enable a large fourth phase consisting of the bulk of private tenure housing which will be delivered into a regenerated setting, rather than one that still requires significant works.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



Vacant possession costs are allocated across respective construction phases, profiled on a straight-line basis for 12 months prior to commencement of pre-construction works.

We have profiled private sales on a straight-line basis and reflecting an average sales rate of four sales per month, commencing 18 months into construction of respective Phases and assuming a 40% off-plan reservations rate.

For affordable tenures we have assumed a staged payment profile across the construction of the units.

6.3. Income-Side Assumptions

6.3.1. Private Sales

Our valuation of private sale tenure homes reflects the market research presented in Section 4. At a site-wide level we have applied the following value assumptions for respective unit typologies:

Type	Count	Average Unit Size (sqm – NIA)	Average Unit Size (sqft – NIA)	Average Market Value	Value (£ psf)
1P1B Flat	50	40	431	£300,000	£697
1P2B Flat	44	50	538	£330,000	£613
1B2P Flat (Wc)	2	55	592	£340,000	£574
2B3P Flat	50	65	700	£415,000	£593
2B3P Flat (wc)	16	70	753	£440,000	£584
2B4P Flat	81	70	753	£460,000	£611
2B4P Flat (Wc)	3	82	883	£500,000	£566
2B4P Mais	5	79	850	£490,000	£576
3B4P Flat (Wc)	2	86	926	£525,000	£567
3B5P Flat	12	86	926	£525,000	£567
3B5P Mais	6	93	1001	£550,000	£549
3B6P Flat	1	95	1023	£575,000	£562
Total	272	61.9	667	£405,974	£609

Reflecting our understanding of current local market conditions we are of the opinion that the average Market Values (Subject to Vacant Possession) for the Private Sale homes equates to £110.43 million (£609 psf). Our pricing approach takes into consideration current asking prices and recent achieved sales values within nearby schemes as presented in Section 4, alongside a detailed consideration of the location of the scheme.

6.3.2. Car Parking

We understand that all car parking delivered at the new scheme will be for the benefit of existing residents that currently have allocated parking spaces. We have therefore not included any revenue relating to car parking spaces.

6.3.3. Social Rented

The detailed proposals allow for provision of 271 Social Rented homes, an increase in provision of 49 homes compared to the original number of tenanted properties, and 33 homes compared to the hybrid permission.

Our DCF valuation approach reflects the following assumptions:

- 35-year term, subsequent years discounted into perpetuity
- Average passing rent of £170 per week
- CPI + 1.0% rent and cost inflation
- £1,900 per unit per annum management and maintenance costs, plus programmed repairs sinking fund allowances
- 2.0% voids and bad debt allowance.

The aggregate value for the package of Social Rented homes amounts to £37.88 million, equivalent to c.£140,000 per unit (£176 psf).

6.3.4. Shared Equity Replacement Homes

All resident leaseholders have been offered the chance to transfer the equity from their current property into a replacement home within the new development, on the basis they are able to invest the entirety of the value of their current property + 10% home loss compensation.

The Applicant anticipates providing for 19 replacement leasehold properties within Phase 1. We have applied an aggregate value of £5,725,000 for the reinvested equity associated with these homes, reflecting property values contained in the Property Cost Estimate.

6.3.5. Grant Income

We understand that negotiations are ongoing between the Council and the GLA relating to Affordable Housing Grant which may be allocated to the Site. For the purpose of our assessment we have adopted a grant rate of £220,000 per Social Rented dwelling, based on initial advice provided by the Council.

For purpose of this FVA we have assumed affordable housing grant income at the rate agreed between the GLA and the Council, and have applied this to the Social Rent homes being delivered. In terms of drawdown profile, we have assumed 75% of the grant amount for each respective Phase would be payable on construction commencement, with the remaining 25% payable on practical completion.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



6.4. Cost-Side Assumptions

6.4.1. Acquisition / Land Assembly Costs

A Property Cost Estimate was previously prepared for the hybrid permission to determine indicative costs associated with acquiring third party interests and enabling vacant possession to be secured for the Site. A summary of the budgeted costs per construction phase are provided in the table below, which have been retained for the purpose of this assessment in the absence of an updated cost breakdown from the Council.

Phase	PCE Budget
Phase 1	£7,070,643
Phase 2	£5,776,982
Phase 3	£3,783,131
Phase 4	£5,320,539
Phase 5	£0
Total	£21,951,295

The above costs have been profiled across the 12 months preceding start on site at each phase. It should be noted that we have excluded contingency allowances from this amount. This amount was previously agreed with the Council and GLA as the basis for estimating land assembly costs underpinning the hybrid permission.

6.4.2. Physical Works Costs

The Applicant has confirmed total physical works costs for Phase 1 of £31,978,365, equivalent to £347 psf based on a total GIA of 3,738 sqm (40,238 sqft). These costs will be fully expended in advance of handovers expected March 2026.

For Phases 2-5, the Applicant has prepared a cost estimate reporting an assumed build cost of £170,329,000, equivalent to £350 psf based on a total GIA of 45,233 sqm (486,883 sqft). We have applied the £psm cost rate consistently across each Phase.

The adopted build cost includes allowances for works to the buildings, contractor preliminaries, professional fees (excluding historic planning costs), OHP and contingency and reflects the cost of all site clearance and externals.

6.4.3. Section 106 / Community Infrastructure Levy / Building Safety Levy financial contributions

We have reflected current Mayoral CIL 2 and local CIL rates for the purpose of determining CIL chargeable to the Site in doing so we have applied a CIL 2 contribution of £71.09 psm (2025 rate) for MCIL 2 and £354.70 psm (assumed 2025 rate) for Hillingdon CIL, against private residential GIA floorspace. We have assumed Social Housing Relief will be applied for affordable housing.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



In our calculation we have offset existing residential floorspace which we understand qualifies as occupied development for six consecutive months within the last three years. We calculate that 48.5% of the private GIA should attract CIL, equivalent to 12,612 sqm. Through applying 2025 CIL rates, we calculate a charge of £896,603 for Mayoral CIL 2 and £4,473,557 for Hillingdon CIL. Note these calculations are estimates at this stage, and subject to confirmation.

Beyond this we have allowed for £550,000 of S106 / S278 financial contributions which we understand will be sought by the Council. This again remains subject to confirmation.

For the purpose of this assessment we have not reflected anticipated contributions due in relation to the upcoming Building Safety Levy. We reserve the opportunity to include these subject to further discussions with the Council.

6.4.4. Professional Fees

For new-build development we would generally expect professional fees to be in the region of 10%-15% of works cost to reflect all planning and professional consultant fees (in-house and external) involved in a project of this nature, including Architect fees (pre and post-contract), Structural Engineer, M&E Engineer, Planning Consultant, Surveyor, Project Manager, Quantity Surveyor and CDM Co-ordinator.

The cost plan prepared by the Applicant includes a budget for professional fees amounting to £8.34 million, equivalent to just under 5.0% of works costs. For the purpose of our assessment we have retained an historic planning cost of £1.25 million in addition to this allowance, but not allowed for further fees above this.

6.4.5. Disposal Fees

The allowance for disposal fees is as follows:

- Marketing – 1.5% of private sale GDV
- Residential Sales Agency – 1.0% of private sale GDV
- Residential Legal Fees – £1,000 per private sale dwelling.

6.4.6. Finance

Generally, borrowing from the market for development projects are linked to SONIA + margin + fees. This will apply equally to the most of corporate borrowings including developers and housebuilders. In the current economic environment, borrowing costs for this development will be c.8.5% (SONIA c.2.5% + margin c.3.5% + fees & commitment fees 2.5%) to fund maximum of 60% of project cost. The remaining 40% is required to be funded from the Applicant's equity which will carry an opportunity cost at least equivalent to UK Gilts (currently priced c. 4.0% for 24-month borrowing).

For the purpose of our assessment finance charges are based upon a total cost of capital of 7.0%. This is an "all-in" cost, inclusive of arrangement and exit fees, reflecting the nature of proposed development. Whilst the appraisal model assumes 100% debt financing, in practice we expect financing of the project would be through a combination of debt and equity, which itself will be utilised with a consideration of the opportunity cost against not being deployed elsewhere. Our assumed finance rate reflects a lender margin and risk premium assuming substantial equity will be invested by the Applicant, who have a good track record in residential development.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



6.4.7. Developer Return Requirement

An important factor in the preparation of an FVA is the level of return which a developer may reasonably require from undertaking the development. This will depend on a number of factors, including the size of the development, level of perceived risks inherent in its delivery, the scale of funding required, market dynamics (both current and future) and the anticipated timescales for construction and subsequent receipts (and therefore returns) to be realised.

Reflecting the large scale and extended timescales for delivery, we have factored in a 17.5% Profit on Gross Development Value (GDV) allowance for speculative residential development and 4.0% on GDV for non-speculative affordable tenures. Together these reflect a minimum return to the developer for the delivery of the proposed scheme and are in line with our recent market experience for the pricing of risk against large-scale regeneration such as that proposed here.

6.5. Viability Results of the Proposed Scheme

In considering the financial viability of the application scheme we have appraised the project reflecting the affordable housing provision outlined earlier in this Section, and corresponding with the terms of the funding agreement between the Applicant and the GLA regarding grant funding support for the delivery of affordable housing. This reflects the provision of 271 Social Rent dwellings and 19 replacement leasehold properties for returning residents:

Income / Expenditure Item	Amount
Income	
Private Sale	£109,310,000
Social Rent	£37,870,000
Shared Equity	£5,725,000
Grant - GLA	£59,620,000
Gross Development Value	£212,525,000
Expenditure	
BLV	£1
Land Assembly / Vacant Possession	£21,951,295
Works Costs (inc contingency)	£202,307,366
Planning	£1,250,000
S106 Allowance	£550,000
CIL	£5,370,160
Disposal Fees	£3,004,750
Finance	£19,269,866
Gross Development Costs	£253,703,439
Project Surplus / Deficit	-£41,178,438
Minimum Priority Development Return Requirement	£20,837,050

Our analysis indicates that the project generates a **Deficit Position of (£41,178,438) with the proposed quantum of Social Rent housing**, falling considerably below an equivalent minimum return requirement of £20,837,050 and allowing for a BLV of £1. On this basis we conclude that the proposed affordable housing provision cannot be supported on viability grounds. A copy of our appraisal is provided in **Appendix 2**.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



6.6. Sensitivity Analysis

To enable a more comprehensive understanding of the financial performance of the project, we have conducted sensitivity analysis reflecting potential movement in sales income and construction costs. For the purpose of our analysis we have analysed the impact of a 5.0% and 10.0% increase and decrease in private sale values, and build costs.

The outcomes of this assessment for the current day scenario are outlined in the following table:

Table of Profit Amount and Land Cost

Sales: Rate /m ²					
Construction: Rate /m ²	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	5,822.19 /m ²	6,145.65 /m ²	6,469.10 /m ²	6,792.56 /m ²	7,116.01 /m ²
-10.000%	-£27,390,096	-£21,480,155	-£15,570,213	-£9,660,271	-£3,750,330
3,625.20 /m ²	-£1	-£1	-£1	-£1	-£1
-5.000%	-£40,183,323	-£34,273,381	-£28,363,440	-£22,453,498	-£16,543,556
3,826.60 /m ²	-£1	-£1	-£1	-£1	-£1
0.000%	-£52,998,321	-£47,088,380	-£41,178,438	-£35,268,496	-£29,358,555
4,028.00 /m ²	-£1	-£1	-£1	-£1	-£1
+5.000%	-£65,833,355	-£59,923,413	-£54,013,471	-£48,103,530	-£42,193,588
4,229.40 /m ²	-£1	-£1	-£1	-£1	-£1
+10.000%	-£78,688,588	-£72,778,646	-£66,868,704	-£60,958,763	-£55,048,821
4,430.80 /m ²	-£1	-£1	-£1	-£1	-£1

The analysis demonstrates that an increase in private sales income of 10.0%, alongside a build costs savings of 10.0%, would enable the project to approach a breakeven position. However it would require further favourable movement to generate a cash Surplus which otherwise aligns with the minimum return requirement, and therefore for the project to be considered viable. Even on the combined best case scenarios presented above, the analysis shows that the project is not viable from a planning viability perspective, considering the Deficit position generated.

7. Conclusion and Recommendations

This financial viability assessment relates to a Section 73 planning application for the regeneration and redevelopment of the Hayes Town Centre Estate, UB3 3PN. The Site represents a strategic opportunity to bring forward major new development. Our assessment considers the delivery of 562 new homes, of which the first 80 homes are nearing completion within Phase 1.

In terms of the affordable housing offer, 271 homes will be affordable tenure (Social Rent), representing an increase of 42 Rented homes compared to the hybrid permission, with homes previously allocated as London Affordable Rent now being delivered as Social Rent housing. The proposed quantum equates to 48% by unit number and 54% by habitable room, both of which are improvements compared to the consented hybrid permission. This provision is supported by GLA grant funding provided to the project via LB Hillingdon Council, who will be acquiring these homes from the Applicant.

Our analysis has found that the proposed regeneration generates a Deficit of (£41,178,438). In the context of a nominal £1 BLV and minimum developer return requirement of £20,873,050, we conclude that the project does not meet the viability tests that would normally be required to be met in order to justify planning obligations through the form of affordable housing and financial contributions from being deliverable. Moreover, our assessment demonstrates that the proposed redevelopment has maximised the delivery of affordable housing (in accordance with London Plan policy requirements).

Whilst our analysis of the project suggests a significant viability gap is present based on an objective assessment of the project and minimum landowner and developer return requirements, the Applicant remains strongly committed to bringing forward the regeneration and meeting commitments made to residents. As such, the Applicant is committed to delivering the proposed amount of affordable housing subject to the increase in overall density proposed compared to the hybrid permission. It is clear however that the project cannot justifiably sustain any additional obligations through the form of affordable housing or financial contributions towards additional infrastructure and services.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



Appendices

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



Appendix 1 Savills Terms of Engagement

TERMS OF BUSINESS CONSULTANCY

Savills (UK) Limited's standard terms of business are set out below. The accompanying engagement letter (the Letter) may vary these terms. The Letter and the terms of business will together form our Terms of Appointment and, as required by The Estate Agents Act 1979 also constitute the written terms of business which, along with their fees, agents are required to confirm to their clients. When you have read and understood the Letter and these Terms, you should sign and return the copy of the Letter to us to record your acceptance of them. If you fail to return the copy to us or fail to acknowledge your acceptance in writing (including by email), but continue to instruct us in relation to the Services, you will be deemed to have accepted these terms and the conditions set out in the Letter.

In this agreement, any reference to "we", "our" or "us" is to Savills (UK) Limited, reference to "you" is to the client to whom the Letter is addressed and references to the "Appointment" is to our appointment under the Terms of Appointment. In these terms the singular includes the plural and the masculine includes the feminine.

1.0 Our Responsibilities

1.1 Our role and responsibilities as agent and/or consultant, as appropriate, are set out in the Letter.

1.2 We undertake to comply with the terms of the Estate Agents Act 1979, the Consumer Protection from Unfair Trading Regulations 2008 (CPRs), the Business Protection from Misleading Marketing Regulations (BPRs) and other legislation where relevant to our Appointment as agent and/or consultant.

2.0 Fees

2.1 Responsibility for Payment of Fees, Costs & Charges

2.1.1 The person or company identified in the Letter as the client is responsible for payment of our fees, costs and charges. If more than one party is to be responsible, the Letter should be signed by all relevant parties and their liability will be joint and several.

2.1.2 From time to time we may pay commission to third parties who introduce new clients or new business to us. This may include an introduction made to you or in respect of business that we conclude for you. We pay commission out of revenue earned from the relevant introduction.

2.2 Calculation of Fees

2.2.1 Our fees for the Appointment are set out in the Letter.

2.2.2 Unless otherwise agreed in writing, our fees are exclusive of any other specialist consultants' advice that may be required e.g. service engineers. We will advise you of the need for such advice as necessary. When the Appointment of another specialist consultant is required, we will undertake responsibility for the co-ordination and integration of such specialist consultant's work, but the appointment will be made directly between you and the other specialist consultant, and will form a separate contractual relationship. Unless otherwise agreed in writing, we have no responsibility for such other specialist consultant's performance of your instructions. Where you approve the appointment of a specialist consultant, you hereby authorise us to enter into a contract with such consultant on your behalf.

2.3 Expenses

2.3.1 In addition to the fees quoted above, reasonable disbursements will be charged. Travel and subsistence, photography, printing, photocopying, binding, postage and couriers are all charged as disbursements.

2.3.2 Until we receive written authority to proceed in connection with incurring disbursements, we reserve the right not to proceed with the consultancy.

2.4 Timing of Payment

2.4.1 Unless otherwise specified in the Letter, we shall raise invoices for our fees on a monthly basis.

2.4.2 Subject to clauses 2.1 to 2.3 above, our fee and any outstanding expenses are due and payable within 14 days following receipt of invoice.

2.5 VAT

2.5.1 All our fees, costs and charges are exclusive of Value Added Tax, which (where applicable) will be paid by you to us in addition to the sums due.

2.6 Interest and Recovery of Fees

2.6.1 Interest will be payable at 4% above the Barclays Bank base rate from time to time on any invoice that remains unpaid for 14 days after payment is due.

2.6.2 If we find it necessary to use solicitors or other parties to recover agreed fees, costs or charges, you agree to pay any reasonable costs incurred by us in this respect.

3.0 Suspending and Terminating Instructions

3.1 You or we may at any time terminate the Appointment by giving not less than 28 days' written notice (unless otherwise agreed in the Letter). Notice by either side does not detract from our right to charge fees under clause 2.0 above.

3.2 Either party may terminate this Appointment immediately upon giving notice in writing to the other party if (in the reasonable opinion of the terminating party) any one or more of the following events occurs or is likely to occur:

3.2.1 a party making any voluntary arrangement with its creditors, entering administration or going into liquidation; or

3.2.2 a security holder taking possession, or a receiver or administrative receiver being appointed, over all or any part of the property or assets of a party; or

3.2.3 any other similar or analogous event in any jurisdiction;

3.2.4 the other party commits a material breach of these Terms of Appointment.

3.3 We may suspend performance of our obligations under these Terms of Appointment without liability if you fail to pay any sum when due and fail to rectify such breach within seven days of receiving notice of non-payment.

3.4 If this Appointment is terminated or suspended for any reason under clause 3.0 above, you shall pay all fees and expenses due, commensurate with the services performed, including time spent in closing down the instruction. We reserve the right to invoice for all disbursements incurred to date and the greater of the time-charge for the work carried out or:-

3.4.1 Lump-sum fixed fees: pro-rata the fee by reference to the stage that work has reached;

3.4.2 'Success' fees: a reasonable percentage of the anticipated fee, by reference to the stage in negotiations that has been reached;

4.0 Limitation of Liability

4.1 Neither party will be liable for any loss of profit (other than in respect of our fees, costs or charges), loss of business or goodwill, or for any special, indirect or consequential loss or damage suffered by the other (including as a result of an action brought by a third party), save that nothing in these Terms of Appointment will exclude or restrict any liability which either party may have for (i) death or personal injury arising out of negligence, (ii) fraudulent misrepresentation or (iii) any other liability which cannot be restricted or excluded by law.

4.2 We will not be liable for any loss as a result of your receipt of any information, data or communications supplied or sent by us electronically, where through no fault of our own the relevant information, data or communication has been corrupted or otherwise modified as a result of it being supplied or sent electronically. You will be responsible for ensuring that any materials you provide or send us by any electronic medium and/or by computer disk are, and remain, virus free.

4.3 Subject to clauses 4.1 and 4.2 our total aggregate liability in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the Appointment or otherwise under the Terms of Appointment, unless otherwise agreed in writing, shall be limited to £5.0m. Where we agree in writing to accept liability to more than one party, the limit on our liability in this clause will be shared between such parties (including you), and it is up to you and such parties to decide how our liability is to be apportioned.

5.0 Indemnity

5.1 Subject to clause 4.0 above you will indemnify and keep us indemnified on an after tax basis against all losses, damages, costs and expenses suffered or incurred by us, arising out of or by virtue of your instructions to us or arising out of any act, omission or default by you, any joint agent or any other third party instructed by you, other than any losses, damages, costs and expenses arising by virtue of our default or negligence.

5.2 During the term of the Appointment and for a period of 6 years thereafter, we will maintain in force, with a reputable insurance company, professional indemnity insurance in an amount not less than £5.0m and shall, on your request, produce confirmation from our insurance broker giving details of cover and that the current year's premium has been paid.

6.0 Compliance

6.1 The CPRs and BPRs

6.1.1 Under the CPRs and BPRs it is a criminal offence for an agent to make inaccurate or misleading statements about property whether in sale particulars, adverts, photographs or verbal statement. This includes making statements that might give the wrong impression about a property and includes omitting facts. You will be asked to verify certain information and must assist to the best of your knowledge.

6.1.2 You will ensure that you advise us of all material facts relevant to us acting as agent and that all information provided by you and/or your professional advisers is and remains complete, accurate and not misleading, for example:

6.1.2.1 you will inform us of any unusual or onerous encumbrances, restrictions, easements, outgoing or conditions attaching to the property; and

6.1.2.2 you will inform us if the property does not comply with all relevant statutory requirements or if the property has not been constructed or is occupied in contravention of or is to be sold or let without valid planning permissions and building regulation and all other approvals required by regulation; and

6.1.2.3 you will check all marketing materials and promptly notify us if any part of those materials is or becomes incomplete, inaccurate or misleading.

6.1.3 We will notify you as soon as reasonably practicable if we become aware that any information provided by you is incomplete, inaccurate or misleading. You will be responsible for any additional costs subsequently incurred by us to ensure that the circulation of incomplete, inaccurate or misleading information is rectified, whether by the reissue of amended marketing materials or otherwise.

6.2 Money Laundering

6.2.1 We are obliged to identify our clients in accordance with the requirements of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. We are likely to request from you, and retain, some information and documentation for these purposes and/or make searches of appropriate databases electronically. For the avoidance of doubt, searches may also be conducted on directors and "beneficial owners" of the client as required by the legislation. If satisfactory evidence of your identity is not provided within a reasonable time, there may be circumstances in which we are not able to proceed with the instruction. Furthermore, under the Regulations, if the property is owned by any form of corporate body (including trusts etc), the corporate body has a legal obligation to provide us with information in order to allow us to identify the beneficial owner.

6.2.2 The provision of our services is a business in the regulated sector under the Proceeds of Crime Act 2002 and, as such, we are required to comply with this legislation which includes provisions that may require us to make a money laundering disclosure in relation to information we obtain as part of our normal work. It is not our practice to inform you when such a disclosure is made or the reasons for it because of the restrictions imposed by the 'tipping off' provisions of the legislation.

6.3 Register of Overseas Entities

6.3.1 In certain circumstances, overseas entities owning property in the UK must register on a register of overseas entities maintained by Companies House and keep that register up to date. If you are an overseas entity, it is your responsibility to ensure that you are registered on the Register of Overseas Entities held at Companies House and that you have obtained an Overseas Entity ID. Failure to do so may restrict your ability to deal with or acquire UK property (including registration of title and/or any rights with the Land Registry) and can result in the commission of criminal offences and/or imposition of financial sanctions. We are not engaged by you to provide services in respect of registration with Companies House or any advice in respect of your application for such registration and accept no responsibility for any failure or delay to register

6.4 Data Protection

6.4.1 We may use your personal information in our provision of services to you. Please see our Privacy Notice for details of how your personal information will be used. Our Privacy Notice can be found at the following web address: <http://www.savills.co.uk/footer/privacy-policy.aspx>

6.5 Equality Act 2010

6.5.1 We are committed to promoting equality and diversity in all our dealings with clients, suppliers, third parties and employees and require that you co-operate with this approach. If you would like to see a copy of our equality and diversity policy please contact the Company Secretary at 33 Margaret Street, London W1G 0JD, or compliance@savills.com.

6.6 Anti-Corruption

- 6.6.1** You shall comply at all times with all applicable laws, statutes and regulations relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010.

7.0 Health and Safety

- 7.1** You are responsible for all health and safety, and environmental obligations in accordance with all relevant laws, enactments, orders, codes of practice and regulations in relation to our Appointment.
- 7.2** You must ensure that we are notified of and provided with all relevant information relating to risks to health and safety and any documentation and/or measures in place to manage those risks. This includes any relevant information to ensure that any viewings or visits are conducted safely.

8.0 Confidentiality

- 8.1** Each party undertakes that it shall not disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party except as permitted by clauses 8.2 and 8.3 below.
- 8.2** Each party may disclose the other party's confidential information:
- 8.2.1** to its employees, officers, representatives, contractors, sub-contractors or advisers who need to know such information for the purposes of carrying out the party's obligations under Terms of Appointment ("Permitted Recipients"). Each party shall ensure that its Permitted Recipients comply with this clause 8; or
- 8.2.2** with the other party's prior consent; or
- 8.2.3** as may be required by law, court order or any governmental or regulatory authority.
- 8.3** Neither party shall use any other party's confidential information for any purpose other than to perform its obligations under these Terms of Appointment.
- 8.4** The provisions of this clause shall survive any termination of this Appointment.

9.0 Use of Information

- 9.1** Subject to our confidentiality obligations under clause 8, information provided to us by you, or relating to our instructions may be published or otherwise used by us for marketing purposes either before or after the expiry or termination of our Appointment.
- 9.2** All advice and services produced for you ("Work") is to be regarded as confidential to the party to whom it is addressed and is intended for the use of that party only. Consequently, in accordance with current practice, no responsibility is accepted to any third party in respect of the whole or any part of the Work. Before the Work, or any part of it is reproduced, our written approval as to the form and context of such publication must be obtained.

10.0 Intellectual Property Rights

- 10.1** All Intellectual Property Rights and all other rights in all reports, drawings and accounts and other documentation created, prepared or produced by us in relation to our Appointment shall be owned by us. Subject to 10.2 below, we license all such rights to you free of charge and on a non-exclusive, worldwide basis to such extent as is necessary to enable you to make reasonable use of such reports, drawings and accounts and other documentation.
- 10.2** You acknowledge that, where we do not own any pre-existing materials, your use of rights in pre-existing materials is

conditional on us obtaining a written licence (or sub-licence) from the relevant licensor or licensors on such terms as will entitle us to license such rights to you.

11.0 Complaints Procedure

- 11.1** In accordance with the Royal Institution of Chartered Surveyors' Rules of Conduct, we operate a formal procedure to deal with complaints from clients and others. Details of this procedure are available from the Complaints Handling Officer (complaints@savills.com).
- 11.2** For unresolved business to business complaints there are provisions for matters to be referred to mediation or arbitration as appropriate. We are also members of the 'Property Redress Scheme' for the resolution of any consumer complaints that are not satisfactorily resolved between the parties.
- 11.3** Your right to pursue any dispute through the courts is not affected by the option to resolve a dispute through the complaints procedure or arbitration.

12.0 Third Party Rights

- 12.1** We are a member of the group of companies whose ultimate holding company is Savills plc. These Terms of Appointment, including any written variation, may be enforced by any member of the Savills Group pursuant to the Contracts (Rights of Third Parties) Act 1999, but otherwise the Provisions of the Contracts (Rights of Third Parties) Act will not apply.
- 12.2** Notwithstanding that these Terms of Appointment may be enforced by Savills Group, the Terms of Appointment may be varied or the Appointment may be suspended or terminated in accordance with the Terms of Appointment or by mutual consent, in each case without the consent of any such third party.

13.0 Assignment

- 13.1** You shall not be entitled to assign, sub-contract or otherwise dispose of any of your rights or obligations under these Terms of Appointment without our prior written consent.
- 13.2** We may at any time and without seeking your consent, assign or sub-contract our rights and obligations under these Terms of Appointment to another company within the Savills Group (the "Transferee"). On condition that the Transferee undertakes for your benefit to perform with effect from the date of assignment all of our obligations under these Terms of Appointment in our place, you shall accept such performance and shall release us from any and all obligations and liability under these Terms of Appointment arising on or after the date of assignment.

14.0 Order of Priority

- 14.1** The Letter and these terms are to be read together as a single document which make up the Terms of Appointment. In the event of any conflict, the terms of the Letter will prevail

15.0 Force Majeure and similar

- 15.1** We reserve the right to delay performance or to cancel the Appointment (without liability to you) and we will not be liable to you for any delay in performing or failure to perform our obligations under the Terms of Appointment where that delay or failure is caused by any circumstances beyond our reasonable control including, without limitation, acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's workforce) or your default provided that, if the event in question continues for a continuous period in excess of 10 days, you shall be entitled to give notice in writing to us to terminate the Appointment.

16.0 Severability

- 16.1 If any provision of the Terms of Appointment (or part of any provision) is found by any court or other authority of competent jurisdiction to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of the Terms of Appointment, and the validity and enforceability of the other provisions of the Terms of Appointment shall not be affected. If a provision of these Terms of Appointment (or part of any provision) is found illegal, invalid or unenforceable, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

17.0 Entire Agreement

- 17.1 The Terms of Appointment constitute the entire agreement and understanding of the parties as to the subject matter of the Terms of Appointment. They supersede any prior agreement or understandings between the parties and no variation of the Terms of Appointment will be binding unless agreed in writing.

18.0 Applicable Law and Jurisdiction

- 18.1 These Terms of Appointment and any dispute or claim, including a dispute or claim of a non-contractual nature, arising under or in connection with these Terms of Appointment shall be governed by and construed in accordance with the law of England and Wales.
- 18.2 The parties to these Terms of Appointment irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising under or in connection with these Terms of Appointment. Nothing in this clause shall limit our right to take proceedings against you in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.
- 18.3 Where relevant, the Terms of Appointment will be subject to both the 2008 edition of the RICS '*Surveyors acting as Expert Witnesses*' and '*Surveyors acting as Advocates*' Practice Statement and Guidance Notes' and the Civil Procedure Rules and Pre-Action Protocols that came into force in April 1999. A judicial or quasi-judicial body in the United Kingdom may rely upon our subsequent Expert Evidence. A copy of the RICS '*Surveyors acting as Expert Witnesses and Advocates*' Practice Statement and Guidance Notes' can be supplied to you on request.

19.0 Provision of Service Regulations

- 19.1 Under the Provision of Service Regulations 2009, we are required to make certain information available to customers to whom we are providing services. This information can be found at the following web address:
<http://www.savills.co.uk/footer/provision-of-services-regulations.aspx>

20.0 Additional terms applicable to Rating Services

- 20.1 We will use reasonable endeavours to obtain your prior approval, however you confirm that we shall have full authority to settle rating negotiations directly with the Valuation Officer on your behalf without receiving your prior consent with regard to any agreement or withdrawal.
- 20.2 In the event that our negotiations with the Valuation Office Agency do not bring about a successful outcome (including for example a change in the Rateable Value) we will make a recommendation to you as to the opportunity for appeal to Valuation Tribunal. We may agree to carry out such appeal services to the upper tribunal/ appeal courts where we consider at our reasonable discretion that the matter has a reasonable prospect of success. The parties confirm and acknowledge that the fees in respect of these services shall be negotiated and agreed by the parties separately (acting

reasonably) taking into account the particular circumstances of the case but the general terms of these Terms of Appointment shall apply to any such services.

- 20.3 We shall not accept rate refunds from Local Councils on your behalf pursuant to these Terms of Appointment and any such arrangements shall be by separate written agreement between the parties.

- 20.4 We may render invoices in respect of the Fees following a change in the Rating List in respect of the relevant Property or following receipt of an amended rate demand from the Local Council showing a lower Rateable Value (and evidence of such shall be presented to us by you promptly) or on receipt of any other such unequivocal evidence demonstrating a total liability reduction. Invoices shall be in respect of the total savings throughout the Rating List and shall be based on an estimated Uniform Business Rate (UBR) multiplier (calculated in line with inflation at a rate as based on the Consumer Prices Index).

- 20.5 For the avoidance of doubt:

20.5.1 a fee is not payable on receipt of the Valuation Officer's acceptance or acknowledgement of a proposal;

20.5.2 a fee is not payable notwithstanding the withdrawal of a proposal; and

20.5.3 where an assessment is reduced, but there is no immediate or anticipated monetary benefit to you in the form of refunds or reduced Rateable Value liability, you shall be charged on a time spent basis. We shall only act in relation to such matters with express instruction from you.

20.6 You acknowledge that in the event a matter is progressed to appeal, you shall be liable in respect of any appeal fees. You should consult the Enterprise Act 2016 for information regarding such fees.

20.7 You further acknowledge that there are civil penalties applicable if incorrect information is supplied knowingly, recklessly or carelessly by you, or by us to the Valuation Office Agency on your behalf.

20.8 The Services shall be supplied in accordance with the RICS/IRRV/RSA Rating Consultancy Code of Practice (as from time to time in force) which regulates RICS consultancy work. A copy of the current code is available on request from us.

21.0 Regulation by RICS

- 21.1 Savills (UK) Limited is regulated by RICS for the provision of surveying services. This means we agree to uphold the RICS Rules of Conduct for Firms and all other applicable mandatory professional practice requirements of RICS, which can be found at www.rics.org. As an RICS regulated firm we have committed to cooperating with RICS in ensuring compliance with its standards. The firm's nominated RICS Responsible Principal is Nicola McGinnis (nmcginnis@savills.com), Chief Financial Officer.

Financial Viability Assessment

Hayes Town Centre Estate, UB3 3PN



Appendix 2 Summary Financial Appraisal

Hayes TC
S73 Application - 562 homes

APPRAISAL SUMMARY

SAVILLS

Hayes TC
S73 Application - 562 homes

Appraisal Summary for Merged Phases 1 2 3 4 5

Currency in £

REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales	Adjustment	Net Sales
P1 - SE	19	1,395.00	4,103.94	301,316	5,725,000	0	5,725,000
P1 - SR	61	4,647.00	1,882.94	143,443	8,750,000	0	8,750,000
P3 - PS	29	1,987.00	6,316.05	432,759	12,550,000	0	12,550,000
P3 - SR	198	14,205.00	1,906.02	136,742	27,075,000	0	27,075,000
P4 - PS	243	14,861.00	6,511.00	398,189	96,760,000	0	96,760,000
P2 - SR	12	1,160.00	1,762.93	170,417	2,045,000	0	2,045,000
Totals	562	38,255.00			152,905,000	0	152,905,000

Investment Valuation

P3 - Community Facility

Manual Value

1

Total Investment Valuation

1

GROSS DEVELOPMENT VALUE

152,905,001

Additional Revenue

P1 - Grant	13,420,000
P3 - Grant	43,560,000
P2 - Grant	2,640,000
	59,620,000

NET REALISATION

212,525,001

OUTLAY

ACQUISITION COSTS

Fixed Price	1		
Fixed Price		1	
			1
Town Planning		1,250,000	
			1,250,000

Other Acquisition Costs

P1 - Land Assembly	7,070,643
P2 - Land Assembly	5,776,982
P3 - Land Assembly	3,783,131
P4 - Land Assembly	5,320,539
	21,951,295

CONSTRUCTION COSTS

Construction	m²	Build Rate m²	Cost
P3 - Community Facility	318.00	3,651.08	1,161,043
P1 - SE	1,705.00	4,028.00	6,867,740
P1 - SR	6,234.00	4,028.01	25,110,625
P3 - PS	3,002.00	3,651.08	10,960,542
P3 - SR	18,934.00	3,651.08	69,129,583
P4 - PS	21,322.00	3,974.49	84,744,000
P2 - SR	1,187.00	3,651.08	4,333,832
Totals	52,702.00 m²		202,307,366
S106 Allowance			550,000
Mayoral CIL (TBC)			896,603
Local CIL (TBC)			4,473,557
Building Safety Levy			1
			208,227,527

MARKETING & LETTING

Marketing	1.50%	1,639,650	
			1,639,650

DISPOSAL FEES

Sales Agent Fee		1.00%	1,093,100
Sales Legal Fee	272.00 un	1,000.00 /un	272,000
			1,365,100

Hayes TC

S73 Application - 562 homes

TOTAL COSTS BEFORE FINANCE	234,433,573
----------------------------	-------------

FINANCE

Debit Rate 7.0000%, Credit Rate 0.1000% (Nominal)

Total Finance Cost	19,269,866
--------------------	------------

TOTAL COSTS	253,703,439
-------------	-------------

PROFIT	(41,178,438)
--------	--------------

Performance Measures

Profit on Cost%	-16.23%
-----------------	---------

Profit on GDV%	-26.93%
----------------	---------

Profit on NDV%	-26.93%
----------------	---------

IRR% (without Interest)	-11.05%
-------------------------	---------

Profit Erosion (finance rate 7.000)	N/A
-------------------------------------	-----

