



Our Ref: JGK/EH17/02C300490

12 July 2023

Major Applications Team  
Planning Department  
London Borough of Hillingdon  
3N, Civic Centre, High Street  
Uxbridge, Middlesex,  
UB8 1UW

**For the attention of: Christopher Brady**

Dear Sirs

**Property: Squirrels Trading Estate, Viveash Close, UB3 4RZ**

**Applicant: Mackenzie Homes**

This letter has been prepared in response to the updated FVA prepared by Gerald Eve dated 26<sup>th</sup> May 2023 and various correspondence sent to us by the Local Authority outlining the Applicants latest affordable housing offer. Our instructions are to review the revised offer of 22.75% affordable housing with a 50:50 tenure split of social rented and shared ownership.

#### **Context**

Mackenzie Homes initial offer was 0% affordable housing made in the Gerald Eve report dated October 2022. We have received correspondence from the Council that indicates that the applicant's offer has been increased to 22.6% habitable room with a split of 50% Social Rent and 50% Shared Ownership.

Gerald Eve have reviewed our report and despite agreeing to a number of assumptions outlined in our report they concluded that 0% affordable housing was the maximum reasonable. This report predates the applicants latest offer.

It should be noted that the density of the scheme has increased with a total of 121 residential units, increased from 116 units. There has also been an increase in costs to account for the provision of the green superhighway.

#### **Updated AY Assessment**

We have analysed the proposed scheme (with 22.75% affordable housing) with our base assumptions (as set out in our initial report of 28 April 2023).

Our results are as follows;

*Table 1: Appraisal Results*

Approach	Residual Land Value	Benchmark Land Value	Surplus / (Deficit)
AY Base Appraisal - Applicants proposed 22.75% scheme	£3,425,360	£3,625,000	(£199,640)

Based on our assumption the scheme returns a nominal deficit against the benchmark land value and should therefore be considered the maximum reasonable affordable provision.

### **Conclusions**

Whilst the appraisal shows the maximum reasonable provision that the scheme can support is 22.75% affordable housing, we remain of the view that the land evidence suggests there could be further uplift in this figure. We recognise however the market challenges at the present time and the fact that in isolation, the land evidence route represents a riskier route for the Council. On this basis the offer represents the maximum reasonable as we have sensitised the profit margin to reflect the underlying tone of the land evidence to reach our conclusions.

As per GLA policy an early and late-stage review should be included within the S.106 agreement to ensure that a proportion of the potential uplift realised by the Council.

Yours faithfully

**Edward Higham MRICS**  
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**For and on behalf of**  
**Avison Young (UK) Limited**