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M Briginshaw
Deputy Team Leader
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London Borough of Hillingdon

BY EMAIL ONLY

13 October 2025

WITHOUT PREJUDICE

Dear Michael,

Hyde Park, Hayes, UB3 4AZ – Response to BNPPRE Paribas Real Estate’s “Review of Financial Viability Assessment”

Thank you for providing us with the report dated July 2025, prepared by BNP Paribas Real Estate (BNPPRE) and entitled, Review of Financial Viability Assessment (FVA).

Our submitted FVA for the proposed scheme as 100% private housing generated a negative land value of **-£1,830,537**. This presented a viability deficit of **-£36,931,537** when compared to our Benchmark Land Value of £35,101,000.

BNPPRE arrive at the same conclusion that the proposed scheme as 100% private housing is unable to viably support any affordable housing. They also agree with our overall approach and the vast majority of our inputs and assumptions. The difference of opinion between our and BNPPRE’s assessment relate to the following assumptions and inputs:

- Benchmark Land Value (BLV);
- Private Residential Gross Development Value (GDV); and
- Finance costs.

BNPPRE’s changes to the above inputs lead to a conclusion that the proposed scheme as 100% private housing results in a lower viability deficit of **-£17,568,549**.

Although we do not agree with the amendments BNPPRE have made to the FVA we are, without prejudice, prepared to accept them in order to come to an agreement.

For clarity, we have therefore set out the agreed position (without prejudice) below and attached the agreed proposed scheme appraisal at **Appendix 1**.

Assumption	ME Submitted FVA	BNPPRE Amendment
Residential Gross Development Value	£324,439,760	£334,486,020
Finance	7.50%	7.00%
Residual Land Value	-£1,830,536	£6,428,389
Benchmark Land Value	£35,101,000	£23,996,938
Viability Deficit	-£36,931,537	-£17,568,549

We hope that the above is clear but if there are any queries or you wish to discuss, please do not hesitate to contact us.

Yours sincerely,




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APPENDIX 1 – AGREED VIABILITY APPRAISAL (WITHOUT PREJUDICE)

Appraisal Summary for Merged Phases 1 2 3 4

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Block A1 - private residential	88	65,272	665.00	493,249	43,405,880
Block A2 - private residential	67	48,168	665.00	478,088	32,031,873
Block B1 - private residential	82	59,226	678.00	489,698	40,155,259
Block B2 - private residential	58	47,046	678.00	549,954	31,897,326
Block B3 - private residential	37	28,611	678.00	524,284	19,398,507
Block C - private residential	118	91,707	692.00	537,810	63,461,582
Block D1 - private residential	72	49,382	705.00	483,534	34,814,420
Block D2 - private residential	122	89,286	705.00	515,955	62,946,564
Block D - townhouse	8	9,042	705.00	796,826	6,374,610
Totals	652	487,741			334,486,020

NET REALISATION

334,486,020

OUTLAY

ACQUISITION COSTS

Residualised Price		6,428,389	
Stamp Duty	5.00%	321,419	6,428,389
Agent Fee	1.00%	64,284	
Legal Fee	0.50%	32,142	
			417,845

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
Block A1 - private residential	91,192	286.00	26,080,912
Block A2 - private residential	66,715	286.00	19,080,490
Block B1 - private residential	77,037	286.00	22,032,582
Block B2 - private residential	68,781	286.00	19,671,366
Block B3 - private residential	35,962	286.00	10,285,132
Block B - basement	39,697	286.00	11,353,342
Block C - private residential	124,366	286.00	35,568,676
Block D1 - private residential	67,619	286.00	19,339,034
Block D2 - private residential	126,217	286.00	36,098,062
Block D - townhouse	9,042	286.00	2,586,012
Totals	706,628 ft²		202,095,608
Contingency		5.00%	10,155,530
Demolition			1,015,000
Combined Mayoral and Borough CIL			7,150,000
Section 106 payment			2,608,000
			223,024,138

PROFESSIONAL FEES

Professional fees	10.00%	20,311,061	
			20,311,061

MARKETING & LETTING

Marketing allowance	1.50%	5,017,290	
			5,017,290

DISPOSAL FEES

Sales Agent Fee	1.00%	3,344,860	
Sales Legal Fee	0.25%	836,215	
			4,181,075

TOTAL COSTS BEFORE FINANCE

259,379,799

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)	
Total Finance Cost	16,571,168

TOTAL COSTS

275,950,967

PROFIT

58,535,054

Performance Measures

Profit on Cost%	21.21%
Profit on GDV%	17.50%