REVIEW OF "UPDATED FINANCIAL VIABILITY ASSESSMENT"
THE BARN HOTEL, WEST END ROAD, RUISLIP HA4 6JB

In June 2026, London Borough of Hillingdon ("the Council") commissioned Quintic Advisory ("Quintic") to advise on a viability assessment of the proposed Development ("the Development") at The Barn Hotel, West End Road, Ruislip HA4 6JB ("the Site") submitted by Savills plc ("Savills") on behalf of Chase New Homes ("the Applicant").

Our report provided an objective assessment of Savills' Viability Assessment Report to determine whether the affordable housing offer and Section 106 contributions as proposed have been optimised.

Savills appraised the proposed Development with 100% private housing on a Fixed Land Value basis with the scheme generating an outturn profit of 3.03% of GDV. Savills stated that this *"falls short of standard assumptions of 15 to 20% of GDV".*

We undertook an assessment of the proposed Development including 100% private housing in line with the Applicant's proposal. We concluded that the proposed Development generated a RLV of £897,034 providing a surplus of £397,034 against the viability benchmark. A key difference between the assessments was the viability benchmark with Savills adopting a benchmark land value of £3,520,000 whilst we adopted a notional benchmark land value of £500,000 on a strictly 'without prejudice' basis. We requested Savills provide the full Existing Use Valuation ("EUV") which supported their capital value of £3,520,000.

Savills submitted further correspondence dated 24 June 2026 which we reviewed and provided our response dated 2 July 2026. In summary, we maintained our conclusion that the proposed Development with 100% private housing generates a RLV of £897,034 providing a surplus of £397,034 against the viability benchmark. The surplus we have identified equates to 0.9% of the total GDV of the proposed Development. In addition, it equates to £5,338 per private residential unit.

Applicant further correspondence

The Applicant has submitted further correspondence dated 7 August 2026 within which they have provided an Existing Use Valuation ("EUV") prepared by Newmark ("NM") in relation to the Application Site to inform the viability benchmark.

We have reviewed the further correspondence provided by the Applicant / NM and have responded in the same structure for ease of reference.

Viability benchmark: In their original submission, to establish a viability benchmark, Savills referred back to the benchmark land value agreed between Carter Jonas ("CJ") acting on behalf of the Council for a previous iteration of the scheme, and Savills. The total viability benchmark equated to £3,520,000 which Savills adopted within their assessment; however, we had not been provided with any information in relation to how this capital value was assessed.

In our June 2026 report, we highlighted that Savills stated in paragraph 3.3.1 of their report that the Site "*remains in use as a Hotel and Restaurant*". However, we reviewed the Applicant's Planning Statement dated September 2024, prepared by Barker Parry ("BP") which stated in paragraph 7.3 that "*the hotel has been closed since the end of 2023 and the Site, most notably the listed buildings require significant maintenance and improvements as identified by the Structural Report which accompanies this submission. This makes any prospect of the hotel use re-opening on the Site unfeasible and also means residential development is the optimum viable use for the Site when considering heritage asset preservation*".

We also referred to the Structural Survey that has been submitted as part of the planning application which states that the *"existing buildings all show signs of some decay and dilapidation. To ensure the long-term future of these buildings, repairs and localised rebuilding will need to be made to address these defects".*

Savills confirmed in their report that the hotel *"ceased trading in October 2023 on viability grounds"* and that the *"August 2024 structural survey (by BDC) demonstrates that there was no fundamental change in the condition of the building from The Barn Hotel Condition Survey report (Stace October*

2022)". In the first instance, the fact that the hotel ceased trading in October 2023 on viability grounds calls into question whether or not the continued use as a hotel is feasible. There was clearly a lack of demand at the time for continued use and we also note that the September 2024 Planning Statement prepared by Barker Parry ("BP") stated that *"any prospect of the hotel use re-opening on the Site [is] unfeasible".*

We have referred to the CJ review dated 8 September 2023 and the Savills valuation dated March 2023 where the viability element is discussed further. The Savills report states on page 22 that "***from my examination of the Property, further investigation and analysis, including an objective assessment of business viability, I am of the opinion that the hotel is commercially unviable now and likely to continue to be so in the long term***" (emphasis added).

The Applicant has now relied upon an EUV prepared by NM dated 7 August 2026 within which NM have concluded that the "*Market Value being the existing use of the subject Property and ignoring any special assumptions and any potential alternative use of the subject Property*" equates to £3,800,000.

In the first instance, we note that NM acknowledge that "*as a hotel the subject Property is likely to see limited demand because it doesn't have the facilities which the majority of mainstream operators will require. The age of the buildings and the slightly disjointed nature of the buildings is also likely to impact on occupier demand as a hotel. We consider that redevelopment would be the most likely method of any future sale*". This supports the concerns we raised in our earlier responses regarding the continued use of the existing property as a hotel.

In the process of establishing a value for the Site, NM have referred to the subject property being *"still in lawful Class C1 hotel use as temporary nightly accommodation being used for temporary housing with a lease in place for a term of two years from 09 June 2026 at a rent of £750,000 per annum*". NM state that "*if we assume the present value of £750,000 per annum receivable for two years this is in the order of £1,300,000 utilising a discount rate of 7.5%*". We consider this assumption to be reasonable and have therefore adopted the capital value for of £1,300,000 within our assessment.

NM also state that they have "*considered the underlying land value and disregarded the buildings on site as to repurpose these for an alternative use would require capital expenditure*". NM go on to state that "*residential land is likely to achieve a higher value and [they] are aware of in excess of £2,000,000 per acre being paid for sites which will be smaller than the subject Property. If [they] were to assume £1,000,000 per acre for the lack of planning consent this would suggest the underlying land value is in the order of £2.5 million for the subject Property as land with the assumption of no buildings on site*". In the first instance, if NM are assessing the land sans buildings, then demolition costs should be taken into account in their assessment, which they have not done.

NM have not identified the site sales they have relied upon to inform their £2,000,000 per acre and, notably, whether or not the developments on these sites are above or below the 10 unit threshold at which the Local Plan requires provision of affordable housing. In any event, NM's assessment appears to disregard Savills' own appraisal of residential use on the Site, which indicates a [negative] residual land value of £1,821,467. NM and Savills would need to reconcile how NM conclude that a residential scheme would attract £2 million per acre when Savills's scheme specific assessment on the Site indicates a [negative] value of £755,795 per acre.

Notwithstanding the above, we do not consider reference to the 'price paid' for comparable sites to be a reasonable basis for establishing an EUV of the Application Site. There are simply to many 'known unknowns' in relation to assumptions purchasers have made when preparing a bid for the sites including (but no limited to): site abnormal costs; profit levels; density; affordable housing provision; anticipated sales values etc. We cannot assume that purchasers always 'get it right', therefore, it is unreasonable to rely upon transactional prices for residential land as a way of establishing an appropriate benchmark land value.

After due consideration, we have adopted the capital value of £1,300,000 as our viability benchmark based upon the existing lease agreement.

Conclusion

In light of the above, we have concluded that the proposed Development with 100% private housing generates a RLV of £897,034 providing a deficit of -£402,966 against the viability benchmark.

Quintic Advisory
12 August 2026