
Financial Viability Statement

Omega Works B, Hermitage Road, London Borough of Haringey, N4 1LZ

October 2022

Prepared on behalf of: CPGF Limited

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Declaration

A declaration of conformity with the RICS Professional Statement Financial Viability in Planning, September 2019, 1st Edition¹, is set out within the following sub-sections.

Instruction and Purpose of Report

In accordance with an instruction and our appointment dated 07 July 2022, CBRE has been instructed by CPGF Limited ('the Applicant') to objectively assess, and report upon, the financial viability of the proposed development of Omega Works B, Hemitage Road, London Borough of Haringey, N4 1LZ ('the Site') for the following:

'Redevelopment of the site for a mixed-use scheme comprising 610m² of employment use (use Class E) and 36 residential units (use class C3). Together with associated landscaping, new courtyard, children's play space, cycle storage, new shared access route, 2x accessible car parking spaces and waste and refuse areas.'

The purpose of this viability assessment ('VA') is to test the financial viability of the Proposed Development at the Site, taking into account the policy requirements set by London Borough of Haringey ('LBH' or 'the Council') as well as the London Plan, national planning policy and guidance.

Objectivity, impartiality, and reasonableness

CBRE places the utmost importance on the integrity, impartiality, and potential conflicts of interests in carrying out its services and seeks to identify and assess all relationships which may result in a conflict of interest or pose a threat to impartiality. CBRE aims to inspire confidence by being open and impartial, offering transparency of process, being fair and maintaining the confidentiality of our clients.

In undertaking this instruction and carrying out the viability assessment, CBRE always confirms that we have acted impartially, with objectivity, without interference and with reference to all appropriate available sources of information.

CBRE confirms that adequate time has been provided to produce this report.

CBRE confirms that there is no instruction in place to undertake an Area-Wide viability assessment concerning existing and future planning policies against which the proposed development scheme will, in due course be considered.

CBRE has set out a full explanation of the evidence provided with reasoned justification.

Conflict(s) of interest

CBRE confirms, to the best of its knowledge, that no conflict or risk of conflict of interest exists in carrying out this viability assessment on behalf of the Applicant(s) and in respect of the Site.

Contingent Fee

In preparing this report, no performance related or contingent fees have been agreed between CBRE and the Applicant(s).

¹ RICS (May 2019) *Financial viability in planning: conduct and reporting*, 1st Edition

Declaration

Status

This report does not constitute a formal valuation and cannot be regarded, or relied upon, as such.

This report provides a guide for feasibility in line with the purpose for which the assessment is required, in accordance with the National Planning Policy Framework ('NPPF')² and national Planning Practice Guidance for Viability ('PPGV')³, and as stated within the relevant guidance published by the RICS⁴.

The conclusions of this report are based upon the input assumptions as stated herein and as available at the time of production. The input assumptions and conclusions of this report are valid at the date of publication and should be subject to review should further information be made available or in the event of material economic or property market change, or in respect of relevant legislative and policy changes.

Publication

This viability assessment has been prepared on the basis that it is expected to be made publicly available, other than in exceptional circumstances.

Where information may compromise delivery of the Proposed Development or infringe other statutory and regulatory requirements, these exceptions will be discussed and agreed with the Local Planning Authority ('LPA') and documented early in the process. Commercially sensitive information will be presented in aggregate form following these discussions. Any sensitive personal information will not be made public.

² MHCLG (2021) *National Planning Policy Framework (NPPF)*

³ MHCLG (2019) *National Planning Practice Guidance – Viability*

⁴ RICS (2021) *Assessing viability in planning under the National Planning Policy Framework 2019 for England RICS guidance note, England 1st edition, March 2021 (effective from 1 July 2021) ('RICS Viability Guidance')*

Executive Summary

CBRE has been appointed by CPGF Limited ('the Applicant') to objectively assess, and report upon, the financial viability of the proposed development of Omega Works B, Hermitage Road, Haringey, N4 1LZ ('the Site') for the following ('the Proposed Development'):

'Redevelopment of the site for a mixed-use scheme comprising 610m² of employment use (use Class E) and 36 residential units (use class C3). Together with associated landscaping, new courtyard, children's play space, cycle storage, new shared access route, 2x accessible car parking spaces and waste and refuse areas'.

The purpose of this viability assessment ('VA') is to test the financial viability of the Proposed Development at the Site, taking into account the policy requirements set by the Council as well as national planning policy and guidance.

Assessment Methodology

The viability model is conducted on a residual basis using industry standard Argus Developer software.

The key viability modelling input assumptions adopted by CBRE for the viability appraisal of the Proposed Development are summarised in Table ES1.

Table ES1: Viability Assessment Inputs Summary

Input	Rate	Comment
Estimated Open Market Values: Residential	£771/ft ²	Based on local market evidence collated by CBRE and set optimistically at a premium to the direct local market
ERVs: Commercial Units	£25/ft ²	12-month period for voids and incentives applied
Investment Yield: Commercial	6.25%	Investment disposal on practical completion
Construction Costs	£261/ft ²	Based on Cost Estimate produced by ABC Cost Consultants on behalf of the Applicant.
CIL	£149,878	Estimated CIL liability for Residential & Commercial uses at the Site, including both Borough & Mayoral CIL.
S106 Payment	£100,000	Estimated contribution, advised by Collective Planning.
Professional Fees	10.00%	Estimated costs and presented as a % of total build costs
Residential Sales Agent & Marketing	2.5%	Of Private Residential GDV
Residential Sales Legal Fee	0.5%	Of Private Residential GDV.
Commercial Letting Agent Fee	10.00%	Industry standard
Commercial Letting Legal Fee	5.00%	Industry standard
Investment Sale Agent Fee	1.00%	Of Commercial GDV
Investment Sale Legal Fee	0.50%	Of Commercial GDV
Purchaser's Costs (Land)	-	Standard fees relating to Stamp Duty Land Tax ('SDLT'), agent's fee (1.00%) and legal fee (0.50%)
Finance	7.00%	Assumes 100% debt finance.
Developer's return	17.50%	Minimum required target return on Private Residential GDV
	15.00%	Minimum required target return on Commercial GDV
	6.00%	Minimum required target return on Affordable GDV

Executive Summary

Benchmark Land Value ('BLV')

By way of analysis set out within chapter 5 of this document, the BLV for the Site has been determined based on the Existing Use Value ('EUUV') plus premium. The BLV represents CBRE's conclusion as to the minimum level of value at which the landowner would be suitably incentivised to release the Site.

It is CBRE's professional opinion that the BLV for the Site equates to £3.73m.

Viability Assessment Results and Conclusion

The policy compliant viability appraisal demonstrates that, when incorporating CIL liability, policy compliant affordable housing, the estimated S106 planning obligations, and the minimum risk-adjusted developer's return on cost, the residual land value ('RLV') generated equates to -£442,238. The RLV falls substantially below the BLV.

The delivery of the Proposed Development on a basis of compliance with the Council's adopted development plan fails to generate an RLV sufficient to meet the minimum BLV and the Proposed Development is not financially viable on this basis.

CBRE has subsequently run a Scenario Test to assess the implications on financial viability of removing the affordable housing contribution. This generates a RLV of £1.83m, which remains below the BLV.

The commercial decision whether to proceed with the Proposed Development will therefore be at the discretion of the Applicant.

Given the commercial risks, it would be CBRE's recommendation that the Proposed Development does not contribute a payment in lieu of on-site provision and any sums towards planning obligations.

Despite the commercial risks of bringing the Proposed Development forward, the Applicant has stated their intention to provide 20% of the commercial space at an 80% Discount to Market Rent. The Applicant proposes that this is Unit 6 of the Proposed Development, which equates to 20% of the commercial floorspace provided. This demonstrates the willingness of the Applicant to collaborate with LBH to deliver affordable workspace in the borough.

1 Introduction

Instruction

- 1.1 CBRE has been appointed by the Applicant to objectively assess, and report upon, the financial viability of the Proposed Development at the Site.
- 1.2 The purpose of the VA is to test the financial viability of the Proposed Development at the Site, taking into account the policy requirements set by the Council, the London Plan, national planning policy and guidance.

Context

Subject Site, Location & Access

- 1.3 The Site is located on the northern side of Hermitage Road, within the London Borough of Haringey. The Site comprises a number of industrial buildings (two storeys) on a plot which extends to 1,175m² / 12,647ft².
- 1.4 The area immediately surrounding the Site comprises a mix of commercial and residential, with the Crusader Industrial Estate located immediately north of the Site, Florentia Clothing Village and a variety of other commercial users to the south and east. Hermitage Road and Ashfield Road consist of predominantly two storey Victorian style residential properties.
- 1.5 The Site benefits from transport links including Manor House (Piccadilly Line) underground station 0.6 miles to the south, providing direct connections into Central London. Haringay Green Lanes (Overground) is circa 0.5 miles away, providing connections west to Upper Holloway and east to Blackhorse Road, where commuters can access the Northern/Victoria lines to access central London and Zones 3 / 4 (north and south of the river).
- 1.6 Finsbury Park provides green space for surrounding residential, located approximately 0.4 miles west of the Site.
- 1.7 A location plan is provided within **Appendix A**.

Planning History

- 1.8 A review of LBH online planning portal has identified that the Site has the following planning history details, summarised in Table 1.1.

Table 1.1: Planning History | Omega Works B, 167 Hermitage Road

Application Reference	Description	Decision / Date
HGY/2016/3604	Prior Approval for change of use from Storage (Class B8) to residential (C3). This sought approval for two further residential units in the roof space as part of the permitted development which had previously had the Council's Prior Approval.	Approved 12/12/2016
HGY/2015/2221	Prior Approval for change of use from B8 (Storage or Distribution Buildings) to C3 (Residential).	Approved 25/09/2015
HGY/2015/1580	Full Planning Permission for the erection of a temporary studio building including offices and a workshop in the derelict yard.	Approved 15/10/2015

Source: London Borough of Haringey

Emerging Planning Application

- 1.9 Following extensive pre-application engagement with LBH it is understood that the Applicant intends to submit a full planning application imminently for the Proposed Development at the Site.

Date of Appraisal

- 1.10 The date of appraisal is the stated date on the cover of this report.

Document Structure

- 1.11 The viability assessment report is structured as follows:
- **Section 2:** presents the relevant planning policy context.
 - **Section 3:** confirms the approach and methodology to this viability assessment together with a brief review of the relevant current guidance for undertaking viability assessments.
 - **Section 4:** sets out a summary of the principal assumptions and evidence used within this financial viability assessment.
 - **Section 5:** derives the benchmark land value ('BLV') as appropriate to apply to the Site.
 - **Section 6:** summarises the results of viability assessment for the Proposed Development.
 - **Section 7:** sets out concluding recommendations to the Applicant and the Council in respect of the level of affordable housing provision (and other Section 106 planning obligations, as applicable) that can be supported by the Proposed Development in accordance with the National Planning Policy Framework ('NPPF')⁵ and national Planning Practice Guidance ('PPG')⁶.

⁵ MHCLG (2021) National Planning Policy Framework

⁶ MHCLG (2019) National Planning Practice Guidance – Viability

2 Planning Policy Context

- 2.1 This section of the document presents the relevant national and local planning policy context to viability assessment of the Proposed Development at the Site.

National Planning Policy Framework

- 2.2 The NPPF presents the Government's planning policies for England and how these are expected to be applied.
- 2.3 Paragraph 2 of the NPPF states that planning law requires planning applications to be determined in accordance with the development plan unless material considerations indicate otherwise⁷. The NPPF, along with emerging plans, are material considerations that must be accorded weight within planning decision-making.

Deliverability & Viability

- 2.4 The NPPF confirms that it is the applicant's responsibility to demonstrate whether the circumstances affecting the development justify the requirement for the submission of a viability assessment at the application stage.
- 2.5 The LPA, as decision maker, must determine the weight to be given to the submitted viability assessment having regard to all the circumstances in the case including the following:
- whether the Plan and viability evidence underpinning it is up to date; and
 - whether there have been any changes in site circumstances since the Plan was brought into force.
- 2.6 All viability assessments, including those undertaken at plan-making stage, should reflect the recommended approach in national planning guidance⁸.

Planning Practice Guidance for Viability ('PPGV')

- 2.7 The Government's national planning guidance for understanding viability in both plan making and decision taking is set out within PPGV⁹.
- 2.8 Detailed guidance is provided regarding viability assessment in decision-taking upon individual schemes at the application stage. Firstly, it is the responsibility of the applicant to demonstrate the 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;

⁷ Section 38(6) of the Planning and Compulsory Purchase Act 2004

⁸ MHCLG (2021) National Planning Policy Framework (NPPF): Paragraph: 58

⁹ MHCLG (2019) Planning Practice Guidance: Viability

- 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.

- 2.9 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).
- 2.10 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.

Adopted Local Policy

Haringey's Local Plan Strategic Policies (2013 - 2026)

- 2.11 Haringey's Local Plan Strategic Policies ('HLPSP') was adopted in March 2013, consolidated with alterations since 2017. The plan provides strategic policies, development management policies, area visions and site allocations which set out the strategy for managing growth and development across the borough from 2013 – 2026. Relevant policies of the SLP include:

SP2: Housing

- 2.12 LBH's SP2 Housing policy focuses on the provision and access to high quality and affordable housing. New housing investment is be targeted at fostering the development of mixed and balanced communities across the Borough.
- 2.13 SP2 is focuses on the overall number of additional homes to be built in the Borough; the proportion of affordable housing LBH will seek; the mix of sizes and types of homes that are needed for particular groups of people; the design of high quality homes and; the need to undertake strategic improvement or renewal of existing housing estates.
- 2.14 The HLPSP states that affordable housing shall be achieved by:
- Subject to viability, sites capable of delivering 10 units or more will be required to meet a Borough wide target of 40%, based on habitable rooms;
 - Delivering an affordable housing tenure split of 60% affordable rent (including social rent) and 40% intermediate housing);
 - The preferred affordable housing mix in terms of unit size and type of dwelling on individual schemes will be determined through negotiated through negotiation, scheme viability assessments and driven by an up to date assessments of local housing need, as set out in the Haringey Housing Strategy;
 - Ensuring no net loss of existing affordable housing floorspace in development; and
 - Ensuring affordable housing units are designed to a high quality and are fully integrated throughout schemes.

SP8: Employment

- 2.15 The HLPSP seeks to secure a strong economy in Haringey and protect the Borough's hierarchy of employment land, Strategic Industrial Location, Locally Significant Industrial Sites, Local Employment Areas and other non-designated employment sites. The forecast demand set out in the HLPSP is for an additional 23,800m² of B Class up to 2026 which is sought to be met through:
- The reconfiguration and re-use of surplus employment designated land in B2 and B8 Use Classes;
 - The intensification of the use of employment sites (where possible);
 - The provision of B1a/b floorspace as part of a mixed-use development on suitable sites, including town centre sites and;
 - The protection of existing viable B Class Uses on designated and non-designated sites.
- 2.16 In order to promote the above, the Council will:
- Support local employment and regeneration aims;
 - Support environmental policies to minimise travel to work; and
 - Support small and medium sized businesses that need employment land and space.

London Plan 2021

- 2.17 The London Plan is the statutory Spatial Development Strategy for Greater London. It sets out a framework for how London will develop over the next 20-25 years and the Mayor's vision for Good Growth
- 2.18 The Plan is part of the statutory development plan for London, meaning that policies in the Plan should inform decisions on planning applications across the capital. Boroughs local plans must be in 'general conformity' with the London Plan, ensuring the planning system for London operates in a joined-up way and reflects the overall strategy for how London can develop sustainably, which the London Plan sets out.

Housing

- 2.19 Policy H2 (Small Sites) states that boroughs should proactively support well-designed new homes on small sites (below 0.25 hectares in size) through both planning decisions and plan making in order to:
- Significantly increase the contribution of small sites to meeting London's Housing needs;
 - Diversify the sources, locations, types and mix of housing supply;
 - Support small and medium-sized housebuilders;
 - Support those wishing to bring forward custom, self-build and community-led housing; and
 - Achieve the minimum targets for small sites as a component of the overall housing targets.
- 2.20 Policy H4 (Delivering Affordable Housing) states that the strategic target is for 50 percent of all new homes delivered across London to be genuinely affordable. Affordable Housing should be provided on-site. Affordable Housing must only be provided off-site as a cash in lieu contribution in exceptional circumstances.
- 2.21 Policy H4 also notes that major developments of 10 or more units triggers an affordable housing requirement.

- 2.22 Policy H5 sets out the threshold approach to applications. The threshold level of affordable housing on gross residential development is initially set at:
- A minimum of 35 per cent; or
 - 50 per cent for public sector land where there is no portfolio agreement with the Mayor; or
 - 50 per cent for Strategic Industrial Locations, Locally Significant Industrial Sites and Non-Designated Industrial Sites appropriate for residential uses in accordance with Policy E7 Industrial Intensification, co-location and substitution where the scheme would result in a net loss of industrial capacity.
- 2.23 To follow the Fast Track Route of the threshold approach, applications must meet all the following criteria:
- Meet or exceed the relevant threshold of affordable housing site without public subsidy;
 - Be consistent with the relevant tenure split¹⁰;
 - Meet other relevant policy requirements and obligations to the satisfaction of the borough and the Mayor where relevant; and
 - Demonstrate that they have taken account of the strategic 50 per cent target in Policy H4 – Delivering Affordable Housing and have sought grant to increase the level of affordable housing.
- 2.24 Policy H6 – Affordable Housing Tenure states that the following split of affordable products should be applied to residential development:
- A minimum of 30 per cent low-cost rented homes, as either London Affordable Rent or Social Rent, allocated according to need and for Londoners on low incomes;
 - A minimum of 30 per cent intermediate products which meet the definition of genuinely affordable housing, including London Living Rent and London Shared Ownership; and
 - The remaining 40 per cent to be determined by the borough as low-cost rented homes or intermediate products based on identified need.
- 2.25 To follow the Fast Track Route ('FTR') the tenure of 35 per cent of homes must meet the requirements above. The FTR is also available to applicants that elect to provide low-cost rented homes in place of intermediate homes, provided the relevant threshold level is reached. Where affordable homes are provided above 35 per cent, their tenure is flexible, provided the homes are genuinely affordable and should take into account the need to maximise affordable housing provision, along with the preference of applicants to propose a particular tenure.

Affordable Workspace

- 2.26 Policy E3 – Affordable Workspace sets out how planning obligations may be used to secure affordable workspace (in the B Use Class) at rents maintained below the market rate for that space for a specific social, cultural or economic development purpose such as:

¹⁰ Refers to policy H6 Affordable Housing Tenure.

- For specific sectors that have social value such as charities, voluntary and community organisations or social enterprises;
- For specific sectors that have cultural value such as creative and artists' workspace, rehearsal and performance space and makerspace;
- For disadvantaged groups starting up in any sector;
- Supporting educational outcomes through connections to schools, colleges or higher education; and
- Supporting start-up and early-stage businesses or regeneration.

2.27 Consideration should be given to the need for affordable workspace for the purposes above where:

- Where there is affordable workspace on-site currently, or has been at any time since 1 December 2017, except where it is demonstrated that the affordable workspace has been provided on a temporary basis pending redevelopment of the site;
- In areas identified in a local Development Plan Document where cost pressures could lead to the loss of affordable or low-cost workspace for micro, small and medium-sized enterprises (such as the City Fringe around the CAZ and in Creative Enterprise Zones);
- In locations identified in a local Development Plan Document where the provision of affordable workspace would be necessary or desirable to sustain a mix of business or cultural uses which contribute to the character of an area.

2.28 Boroughs, in their Development Plans, should consider detailed affordable workspace policies in light of local evidence of need and viability.

2.29 Affordable workspace policies defined in Development Plans and the terms set out in Section 106 agreements should ensure that the objectives above are monitored and achieved, including evidence that the space will be managed by a workspace provider with a long-term commitment to maintaining the agreed or intended social, cultural or economic impact. Applicants are encouraged to engage with workspace providers at an early stage in the planning process to ensure that the space is configured and managed efficiently.

GLA's Affordable Housing and Viability Supplementary Planning Guidance ('AHSPG') (2017)

2.30 The AHSPG provides guidance to support the implementation of London Plan policy and advises on viability assessments.

2.31 The GLA's long term aim is for half of all new homes to be affordable. The aims of the SPG are to:

- Increase the amount of affordable housing delivered through the planning system;
- Embed the requirement for affordable housing into land values; and
- Make the viability process more consistent and transparent.

2.32 Part 3 provides guidance on viability assessments. Paragraph 3.38 states that the process for establishing an appropriate benchmark land value ('BLV') for a viability assessment is key, because this indicates the threshold for determining whether a scheme is viable or not.

2.33 Paragraph 3.47 states that:

“The Mayor considers that the ‘Existing Use Value plus’ (EUV+) approach is usually the most appropriate approach for planning purposes. It can be used to address the need to ensure that development is sustainable in terms of the NPPF and Development Plan requirements, and in most circumstances the Mayor will expect this approach to be used.”

2.34 Paragraph 3.51 states that:

“If an applicant seeks to use an ‘alternative use value’ (AUV) approach it must fully reflect policy requirements. Generally the Mayor will only accept the use of AUV where there is an existing implementable permission for that use. Where there is no existing implementable permission, the approach should only be used if the alternative use would fully comply with development plan policies, and if it can be demonstrated that the alternative use could be implemented on the site in question and there is market demand for that use.”

2.35 The following documents are taken into consideration for the completion of this report:

- The Affordable Housing SPD adopted in 2008;
- The Development Viability SPD adopted in March 2016;
- The Section 106 and CIL SPD adopted in 2015 and amended in November 2020;
- Haringey Local Plan Strategic Policies (2013, with amendments in 2017); and
- The London Plan (Adopted 2021).

3 Approach & Methodology

The Role of Viability Assessment in Planning

- 3.1 This chapter provides the approach and methodology to this viability assessment set within the context of the legislative planning framework and recognised national practice guidance for undertaking viability assessments.

RICS Financial Viability in Planning: Conduct and Reporting (1st edition, May 2019)

- 3.2 This RICS professional statement sets out mandatory requirements on conduct and reporting in relation to Financial Viability Assessments ('FVAs') for planning in England, whether for area-wide or scheme-specific purposes. It recognises the importance of impartiality, objectivity and transparency when reporting on such matters. It also aims to support and complement the Government's reforms to the planning process announced in July 2018 and subsequent updates, which include an overhaul of the NPPF and PPGV and related matters.
- 3.3 The statement focuses on reporting and process requirements, and the need for the assessment of viability to be carried out having proper regard to all material facts and circumstances. The additional requirements became effective on 1 September 2019.

RICS Guidance Note: Assessing viability in planning under the National Planning Policy Framework 2019 for England (1st edition, March 2021)

- 3.4 The RICS Viability Guidance¹¹, effective from 1st July 2021, supplements the RICS Professional Statement and gives added guidance to RICS members and other stakeholders in the planning process on undertaking and understanding FVAs in both a plan-making and decision-taking context.
- 3.5 The RICS Viability Guidance, which replaces the earlier 2012 publication, provides best practice guidance for practitioners in carrying out and interpreting the results of viability assessments under the NPPF and PPGV.

PPGV

- 3.6 PPGV sets out the Government's recommended approach and confirms the principles for conducting viability assessment as follows:

¹¹ RICS (2021) *Assessing viability in planning under the National Planning Policy Framework 2019 for England* RICS guidance note, England 1st edition, March 2021

Approach & Methodology

'Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return'.¹²

- 3.7 PPGV confirms that the minimum landowner's return should be referred to as the 'benchmark land value' ('BLV'), which should be established on the basis of the existing use value ('EUV') of the land, plus a premium for the landowner. This approach is referred to as the 'existing use value plus' ('EUV+').
- 3.8 PPGV also confirms that alternative uses can be used in establishing the BLV. For the purposes of viability assessment the AUV refers to:
- '...the value of land for uses other than its existing use.'¹³*
- 3.9 Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. PPGV confirms the Government's position that valuation based on AUV includes the premium to the landowner (i.e. the AUV is equal to the EUV+ as a BLV)¹⁴.

Methodology

- 3.10 In order to determine the viability of the Proposed Development at the Site, a residual valuation model with cash flow has been prepared using proprietary software Argus Developer.
- 3.11 The methodology for undertaking this viability assessment follows the residual appraisal method, which is that accepted by the RICS and recommended within RICS Viability Guidance¹⁵. The methodology is also consistent with the Government's recommended approach as set out in PPGV¹⁶.
- 3.12 The assessment calculates the cost to acquire, construct, and deliver the capital costs of the development scheme, which is set against the value of the development on the assumption it is completed in the current market. No allowance is made for underlying inflation.
- 3.13 This method is an industry standard approach for developers in calculating an appropriate bid to acquire land and premises for development. The residual land value ('RLV') represents the sum available following the deduction of all costs, including allowance for developer's profit, from the net achievable revenue which can be derived from the proposed scheme.

Benchmark Land Value ('BLV')

- 3.14 As set out above, both the Government's PPGV and RICS Guidance set out a requirement for viability assessment to compare the RLV of the Proposed Development, as derived through the viability assessment,

¹² MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 010

¹³ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 017

¹⁴ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 017

¹⁵ RICS (2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England RICS guidance note, England 1st edition, March 2021

¹⁶ MHCLG (2019) National Planning Practice Guidance – Viability

Approach & Methodology

with the BLV (i.e. minimum return at which it is considered a reasonable landowner would be willing to sell their land) in order to determine whether the proposed development is viable or unviable.

4 Viability Assessment Assumptions

- 4.1 This section presents the principal assumptions used in the viability assessment of the Site for the Proposed Development.

Development Outputs

Land Analysis

- 4.2 The area of the Site associated with the Proposed Development equates 0.29 acres (0.11 hectares).

Proposed Development

- 4.3 The Proposed Development comprises the following:

Redevelopment of the site for a mixed-use scheme comprising 610m² of employment use (use Class E) and 36 residential units (use class C3). Together with associated landscaping, new courtyard, children's play space, cycle storage, new shared access route, 2x accessible car parking spaces and waste and refuse areas.'

- 4.4 The proposed floor plans for the scheme are provided within **Appendix B**.

Accommodation Schedule

- 4.5 An accommodation schedule for the Proposed Development has been prepared by the Applicant's architect D Haus. A summary is presented in Table 4.1.

Table 4.1: Summary Accommodation schedule | Proposed Development

Accommodation Type	No. Units	Total NSA (m ²)	Total NSA (ft ²)	No. Habitable Rooms
Commercial Units	7	538	5,789	N/A
Residential				
1B2P Flat	16	919.70	1,389	32
2B3P Flat	1	69.11	759	3
2B4P Flat	14	1,012.32	753	42
3B6P Flat	5	497.67	759	20
Residential Total	36	2,498.77	26,897	97
Overall Total:	43	3,306.77	32,686	97

Source: D Haus

- 4.6 A copy of the area schedule is provided at **Appendix C**.

Development Value

- 4.7 The value to be adopted is based on the special assumption that the development is complete on the publication date of this document in the prevailing market conditions.

Residential | Open Market Values

- 4.8 CBRE has conducted a market pricing analysis of current new-build and re-sale apartments in the locality of the Site to inform estimated open market values ('OMVs') within the viability appraisal of the Proposed Development.

Viability Assessment Assumptions

Asking Prices (New Build)

- 4.9 Woodberry Down is an extensive regeneration project which once complete, will feature over 5,500 new homes in 64 acres adjacent to natural surroundings including two reservoirs and Finsbury Park. Woodberry Down is approximately 0.4 miles south of the Proposed Development.
- 4.10 The Berkeley Group is the developer for Woodberry Down. The Berkeley Group are renowned for delivering CALPA high specification developments at the top end of the market. Amenities include 24/7 concierge and access to private gym and swimming pool facilities.
- 4.11 CBRE summarises the asking prices within Woodberry Down in Table 4.2.

Table 4.2: Woodberry Down | Asking Prices

Building/Address	No. Beds	Size (ft ²)	Floor	Asking Price	Asking £/ft ²
Newnton Close	1	560	5	£600,000	£1,072
Coster Avenue	1	560	N/A	£579,900	£1,036
Residence Tower	1	463	9	£450,000	£972
Residence Tower	1	452	6	£424,995	£940
Coster Avenue	2	980	4	£848,000	£866
Heron Tower	2	770	7	£635,000	£825
Heron Tower	2	748	N/A	£622,500	£832
Darder Apartment	3	1,116	7	£1,235,000	£1,107

Source: Rightmove, August 2022

- 4.12 CBRE considers Woodberry Down is a useful guide to illustrate top values achievable in the location. CBRE comments that the micro-location and specification of the units within Woodberry Down are superior to the units within the Proposed Development, which will be reflected in achievable values and sales rates.
- 4.13 Within Table 4.2, the 1-bed marketed sales rate ranges from £940 - £1,072/ft², with the 2-beds for ranging from £825-£866/ft². This follows typical patterns, whereby larger units within flatted developments generally achieve a lower £/ft² rate. The anomaly in Table 4.2 is the 3-bedroom apartment 'Darder Apartment'. CBRE comments that this specific unit benefits from superior amenity provision to include access to a sauna/steam room. which to assess achievable flat values within the Proposed Development. CBRE notes that the asking £/ft² values range from £1,168 - £1,465/ft², with the smaller flats guided at higher £/ft² values and vice versa.
- 4.14 The Quartet, a development brought forward by Countryside, is a 132 unit scheme comprising 1, 2 & 3-bed apartments and 2/3 bedroom duplexes. CBRE understands that the Quartet is completed to a high specification to include underfloor heating, paved balconies and contemporary style kitchens with integrated appliances. Asking prices within the Quartet are set out in Table 4.3.

Viability Assessment Assumptions

Table 4.3: The Quartet | Asking Prices

No. Beds	Size (ft ²)	Floor	Asking Price	Asking £/ft ²
1	549	11	£470,000	£856
1	527	6	£425,000	£806
3	1,206	10	£830,000	£688

Source: Foxtons, August 2022

- 4.15 CBRE comments that whilst the unit specification of the completed units at the Quartet is higher than the Proposed Development, the location of the Quartet is considered to be less sought after. The nearest transport links to the Quarter are Stamford Hill (0.6 miles) and Stoke Newington

Achieved Sales Transactions (New Build)

- 4.16 CBRE has utilised LandInsight to further understand achievable values for apartments in the Site location.
- 4.17 Table 4.4 summarises the new build sale transactions within the Woodberry Down development (the Berkeley Group), as described in the previous section.

Table 4.4 Achieved Sales Transactions | Woodberry Down, The Berkeley Group

Address	Date Sold	Sold Price	Floor area (ft ²)	Price (£/ft ²)
Flat 156, Willowbrook House, N4	23/07/2021	£593,000	538	£1,102
Flat 186, Willowbrook House, N4	01/09/2021	£518,000	549	£944
Flat 158, Willowbrook House, N4	05/08/2021	£493,000	560	£882
Flat 168 Willowbrook House, N4	30/06/2021	£551,490	657	£840
Flat 161, Willowbrook House, N4	28/06/2021	£550,000	657	£838
Flat 182, Willowbrook House, N4	25/06/2021	£651,000	753	£864
Flat 60, Hartingtons Court	30/07/2021	£698,000	818	£853
Flat 188, Willowbrook House, N4	09/06/2021	£717,250	818	£877
Flat 219, Willowbrook House, N4	25/06/2021	£780,000	926	£843
Flat 220, Willowbrook House, N4	04/06/2021	£910,000	1,195	£762
Flat 217, Willowbrook House, N4	29/06/2021	£1,150,000	1,087	£1,058

Source: LandInsight

- 4.18 CBRE notes that the achieved £/ft² rates range from £838 - £1,102/ft². The smaller units generally attract the higher £/ft² rate, with the exception of 217 Willowbrook House. CBRE notes that floor level, unit specific amenity, aspect and 'penthouse' impact any premium attached to units within a block/development.
- 4.19 The achieved capital values and sales rates set out in Table 4.4 are in excess of those achievable within the Proposed Development, owing to specification of the completed units and location.
- 4.20 Table 4.5 summarises the new build sales transactions from other developments in close proximity to the Site.

Viability Assessment Assumptions

Table 4.5 Achieved Sales Transactions | Various Developments

Address	Development	Date Sold	Sold Price	Floor area (ft ²)	Price (£/ft ²)	Comment
Flat 1, 52 Lawrence Road, N15	The Vabel Lawrence	22/06/2021	£494,000	635	£778	42-unit new build scheme. High specification. 1 mile north of Site, in close proximity to Seven Sisters.
Flat 6, 52 Lawrence Road, N15	The Vabel Lawrence	26/05/2021	£465,000	592	£785	42-unit new build scheme. High specification. 1 mile north of Site, in close proximity to Seven Sisters.
Flat 6, 85b Upper Clapton Road, E5	Upper Place	04/02/2021	£645,000	915	£705	New build scheme on the Upper Clapton Road. Inferior location (2 miles east of Site). Close proximity to Clapton Overground station.

Source: Land Insight

- 4.21 The comparable transactions within Table 4.5 provides useful evidence to inform pricing within Omega Works. The Vabel Lawrence development is similar in scale (providing 42 units) and benefits from superior transport links (0.5 miles to Seven Sisters which benefits from Overground, the Victoria Line and national rail services) in comparison to the Proposed Development.

Achieved Sales Transactions (Secondary Market)

- 4.22 Due to limitation in the volume of comparable new build transactional evidence, CBRE has reviewed the achieved sales data within a 0.25 mile radius of the Site. The evidence is summarised in the Table 4.6.

Table 4.6: Achieved Sales Transactions (Secondary Market) | Within 0.5 miles of the Site

Address	No. Beds	Date Sold	Area (ft ²)	Sold Price	£/ft ²	Comments
Burgoyne Road, N4	1	Asking Price	579	£350,000	£604	Asking price only. 1-bedroom flat located in period building.
6a Finsbury Park Avenue, N4 1DQ	2	29/10/2021	753	£490,000	£651	Two double bedroom flat within a period flat, adjacent road to site. Good condition.
87 Warwick Gardens, N4 1JD	2	30/09/2021	786	£397,000	£505	Split level maisonette, good condition. Located within ex-local authority block.
2 Cavendish Road, N4 1RT	3	24/11/2021	1,038	£580,000	£559	3-bed split level flat located within Victorian building. Good condition.

Source: LandInsight

- 4.23 CBRE notes that the above transactions/asking prices of recent sales in close proximity to the subject site fall considerably below the new build schemes referenced.
- 4.24 CBRE consider that the £/ft² values achievable within the Proposed Development are expected to be in excess of the range set out in Table 4.6, owing to new build specification.
- 4.25 CBRE summaries the pricing set out for the Proposed Development in Table 4.7.

Viability Assessment Assumptions

Table 4.7: Estimated Open Market Values | Proposed Development

Tenure	Type	No. Units	No. Hab Rooms	Average of Area (ft ²)	Sum of Area (ft ²)	Average of Total (£)	Sum of Total (£)	(£/ft ²)
Private	1B2P	13	26	604	7,855			
	2B4P	8	24	775	6,201			
	3B6P	2	8	915	1,829			
Total		23	58	691	15,885			

Source: CBRE Analysis

Affordable Housing Values

4.26 CBRE has assessed the units provided within the Proposed Development and assigned the relevant units to the relevant affordable housing type, to meet LBH's policy of delivering 40% affordable housing by habitable room, with the provision comprising 60% London Affordable Rent ('LAR') units, and 40% Shared Ownership (intermediate) units.

4.27 CBRE summarises the affordable housing values provided within the Proposed Development in the table below.

Table 4.8: Affordable Housing Values | Proposed Development

Tenure	Type	No. Units	No. Habitable Rooms	Average of Area (ft ²)	Sum of Area (ft ²)	Average of Total (£)	Sum of Total (£)	(£/ft ²)
LAR	2B3P	1	3	744	744			
	2B4P	4	12	785	3,140			
	3B6P	3	12	1,176	3,527			
Shared Ownership	1B2P	3	■	681	2,044			
	2B4P	2	■	778	1,556			
Total		13	39	847	11,011			

Source: CBRE Analysis

4.28 CBRE comment that the £/ft² values are considerably lower for the 3-bed LAR units, as the rental achievable for these units are capped at the London Affordable Rent – weekly rent benchmarks¹⁷ set by the GLA and do not take into account size of the units. The Proposed Development includes 3 x 3-bed units in excess of 109m² / 1,175ft² which deflates the achievable £/ft² value for the LAR units.

¹⁷ GLA (2022) London Affordable – weekly rent benchmarks

Viability Assessment Assumptions

4.29 CBRE's affordable housing calculations can be provided upon request.

Ground Rent Investment Value

4.30 As a result of the Leasehold Reform (Ground Rent) Act, which comes into force on 30 June 2022, ground rent in most new leases cannot legally be for anything more than "one peppercorn per year". This "peppercorn rent" means that no money can be legally charged or paid as ground rent on leases regulated by this Act. As a result no additional revenue is incorporated in this assessment.

Commercial Use

4.31 CBRE considers that the commercial space (Class E) located on the ground and first floor of the Proposed Development is appropriate for a mix of commercial users, predominantly use by SMEs and creative companies. The commercial space within the Proposed Development is as follows:

Table 4.9: Commercial Space | Proposed Development

Commercial Unit	Area (m ²)	Area (ft ²)	% Commercial Space Occupied
Unit 1	68.95	742	13%
Unit 2	51.20	551	10%
Unit 3	36.11	389	7%
Unit 4	81.88	881	15%
Unit 5	43.92	473	8%
Unit 6	107.42	1156	20%
Unit 7	148.36	1597	28%
Total	538	5,789	100%

Source: D Haus

4.32 CBRE note the following commercial space (flexible uses) currently on the market in close proximity to the Proposed Development in Table 4.10.

Table 4.10: Commercial Space | To Let

Address	Area (ft ²)	Asking Rent Per Annum	Asking Rent £/ft ²	Comment
Unit 2 Crusader Industrial Estate, N4	7,185	£179,625	£25	Self-contained industrial unit adjacent to Site. 6m eaves height, level access loading and office space.
Unit 21 Cranford Way, Tottenham Lane, Hornsey, N8	5,517	£110,340	£20	Self-contained industrial unit with electric roller shutter, modern office space and 3 parking spaces.
The Chocolate Factory, Wood Green, N22	100 – 3,000	N/A	£21	Office and studio space in Haringey Cultural Quarter, close to Wood Green Shopping Centre. On-site provision includes meeting rooms, parking, showers, reception services and a security system.

Source: EGI, Zoopla

Viability Assessment Assumptions

4.33 CBRE considers the Chocolate Factory as the most relevant example for which to guide achievable rental values within the Proposed Development.

4.34 Whilst dated, CBRE note the following commercial lease transactions to further guide achievable rent for the commercial space within Table 4.10.

Table 4.11: Commercial Lease Transactions | SE1

Address	Property Type	Transaction Date	Size (ft ²)	Rent (£/ft ²)	Description
The Arts Building, 2-10 Morris Pl, London, N4 3JG	Office	24/11/2020	15,203	£26.31	Same postcode as subject location. New build commercial development.
270-274 West Green Road, London, N15 3QR	Office	28/10/2020	1,980	£20.71	Inferior location to subject postcode.
Emma House & 3rd Floor Sophia House 214-218 High Road, London, N15 4NP	Office	12/02/2020	1,895	£16.00	Inferior location to subject postcode.

Source: Agency advice

4.35 The market tone for flexible commercial space in the Haringey location ranges from £16 - £26/ft².

4.36 CBRE has optimistically assumed that the commercial space within the Proposed Development can achieve £25/ft².

Commercial Yield Evidence

4.37 There is limited available evidence for commercial/retail yields in the subject location. Covid-19 has impacted investor appetite for the retail market, with ever changing restrictions affecting capital values and yields.

4.38 Table 4.12 summarises office yield transactions within Haringey.

Table 4.12 – Summary of Office Transactions | Comparable Evidence

Address	Transaction Date	Price (£)	Size (ft ²)	£/ft ²	Net Initial Yield (NIY)
The Arts Building, 2-10 Morris Pl, London, N4 3JG	Asking Price	£2,500,000	48,258	£528	5.17%
403-405 Holloway Road, London, N7 6HL	8/02/2020	£2,200,000	4,612	£477	4.0%
The Arts Building, 2-10 Morris Pl, London, N4 3JG	22/01/2019	£19,450,000	48,258	£403	8.0%
128-132 Petherton Road, London, N5 2RT	04/12/2018	£1,950,000	732	£2,664	5.6%

Source: Agency Advice

Viability Assessment Assumptions

- 4.39 Table 4.12 indicates there is a wide range of NIY achievable in the subject location for office space, from 4% - 8%. Savills¹⁸ lists 'Major Regional Cities' at a 5% yield, which CBRE consider appropriate for which to capitalise the rental income for the office space at the proposed development.
- 4.40 However, the above yields reflect traditional commercial leases for office occupiers, whereas the commercial space within the proposed development is likely to be a flexible workspace with shorter leases/term certain, which increases risk to an investor. Therefore, CBRE consider a range of 6.5% - 7% yield for the commercial space within the Proposed Development as an appropriate assumption.

Development Costs

Construction Costs

- 4.41 The Applicant instructed ABC Independent Construction Cost Consultants ('ABC') to prepare a Cost Estimate for the Proposed Development.
- 4.42 ABC has quoted a total estimated cost of £12,050,000 as at Q3 2022. This includes allowances for demolition, facilitating works, external works, preliminaries and excludes contingency and professional fees. The Cost Estimate is attached at **Appendix D**.

Community Infrastructure Levy ('CIL')

- 4.43 CIL was introduced under the Planning Act 2008 and is legislated by the CIL Regulations 2010 (as amended). Local authorities in England and Wales can elect to charge CIL on new development to assist in funding infrastructure associated with planned growth.
- 4.44 The London Borough of Haringey approved a new CIL Charging Schedule on 14 March 2022. This charging schedule will come into effect on 1 September 2022. All planning permissions granted on or after 1 September 2022 will be subject to the rates in the Revised Charging Schedule. The Site location falls within the Eastern Charging Zone¹⁹, attracting the following rates as shown in Table 4.13.

¹⁸ Knight Frank Yield Guide (July 2022)

¹⁹ As per Annex 1 of the March 2022 LBH CIL Charging Schedule

Viability Assessment Assumptions

Table 4.13: London Borough of Haringey | CIL Charging rates (per m²)

Use	CIL Charge (£/square metre)		
	Western	Central	Eastern
Residential	£368.12	£229.21	£50
Student Accommodation	£368.12	£229.21	£85
Build to Rent Housing	£368.12	£229.21	£100
Supermarkets	£131.97		
Retail Warehousing	£34.73		
Office, industrial, warehousing, small scale retail	Nil Rate		
Health, school and higher education	Nil Rate		
All other uses	Nil Rate		

Source: London Borough of Haringey

Mayoral CIL

4.45 The Proposed Development will also attract a Mayoral CIL charge²⁰, MCIL2. The Proposed Development is situated within Band 2 and therefore attracts the following charging rate:

- All Development: £60/m²

4.46 There are no other CIL charges applicable to the Proposed Development.

Indexation

4.47 LBH CIL is indexed in accordance with the 'Annual CIL Rate Summary 2022' published annually.

4.48 The tables overleaf detail the estimated indexed CIL liability²¹ calculation for the Proposed Development including a table of CIL payment instalments in accordance with LBH's Instalment Policy²². The CIL payment calculation is set out in Table 4.14 & 4.15.

²⁰ Mayor of London (2019) MCIL2 Charging Schedule

²¹ Any estimated calculation and/or figures provided by CBRE is indicative only and subject to change. Any estimated calculation and/or figures given are not a final representation of the total CIL liability and do not constitute legal or tax advice. CBRE accepts no liability or responsibility for any claims, losses, additional costs, damages or expenses which may arise or which may be sustained as a result of relying on the guidance, estimated calculation or figures provided by CBRE in connection with CIL liability. The client should in all cases seek specialist legal or tax advice on CIL.

²² Haringey website (2022) Step 6: the payment will generally be due in full at the end of 60 days after the development has commenced on site.

Viability Assessment Assumptions

Table 4.14: Haringey CIL | Calculation

Indexed CIL Liability Calculation – Proposed Development (Residential)			
R	Residential (Use Classes C3 & C4)		£50
G	Total Chargeable Development (GIA)		3,606 ²³
GR	GIA of Residential		1,968 ²⁴
KR	GIA of Retained parts of in-use buildings (i) or retained parts where intended use already permitted (ii)		0
E	GIA of In-Use Buildings to be demolished (i)		1,176
Ip	Index Rate when PP Granted (Assumed 2020)		332
Ic	Index Rate when Charging Schedule adopted		332
A	Deemed Net Area Chargeable (GIA) at rate R		1,326
	CIL Liability = (R * A * Ip) / Ic		£66,309
Instalment 1	100%	60 days from commencement	£66,309.48

Table 4.15: Mayoral CIL | Indexed Calculation

Indexed CIL Liability Calculation – Proposed Development			
R	Residential (Use Classes C3 & C4)		£60
A(i)	Proposed Floorspace (Sqm GIA)		2,583 ²⁵
A(ii)	Existing Floorspace (Sqm GIA)		1,176
A	Net Additional Floorspace (Sqm GIA)		1,407
Ip	Index Rate when PP Granted (Assumed 2020)		330
Ic	Index Rate when Charging Schedule adopted		333
	CIL Liability = (R * A * Ip) / Ic		£83,659
Instalment 1	100%	180 days from commencement	£83,659.46

Other Development Costs

4.49 Other development costs are summarised in Table 4.16.

²³ Taken from D Haus Area Schedule.

²⁴ Excludes affordable housing as not CIL chargeable.

²⁵ Excludes affordable housing as not CIL chargeable.

Viability Assessment Assumptions

Table 4.16: Other Development Costs | Proposed Development

Cost heading	Rate	Commentary
Cost of Land Acquisition	Prevailing Rate	
Professional Fees	10%	Of base build costs. Industry standard rate between 8% - 12%.
Sales Agent & Marketing Fee	2.5%	Of Private Residential GDV.
Residential Sales Agent Fee	1.5%	Of Residential GDV.
Commercial Letting & Legal Fee	15%	Of headline commercial rent.
Investment Agent Fee	1.0%	Of Commercial GDV.
Finance	6.5%	Total blended cost of capital for financing the Proposed Development via the market, which takes into account arrangement, monitoring and related fees/credit. Assumes 100% debt finance.
Developer's Return	17.50%	Total blended target return for risk on GDV for the open market residential units.
	15.0%	Total blended target return for risk on GDV for the commercial units.
	6.0%	Total blended target return for risk on GDV for the affordable units.

Source: CBRE Analysis

S106 Planning Obligations

- 4.50 Collective Planning, the Applicant's planning consultant, to include a notional S106 allowance of £150,000 within the Proposed Development.
- 4.51 CBRE reserves the right to amend the viability assessment as necessary to reflect any amendments to the planning obligations (and payment triggers) sought from the Proposed Development upon receipt of clarification and confirmation from the Council (during the determination process).

Development & Disposal

- 4.52 The development programme, as informed by the Applicant, is summarised in Table 4.17.

Table 4.17: Development & Disposal Programme | Proposed Development

Duration	Stage	Description
Month 1:	Purchase	Assumes grant of planning permission
Months 2 - 7:	Pre-Construction	Procurement, discharge of planning conditions and site set-up
Months 8 - 31:	Construction	Overall construction period.
Month 32:	Letting & Disposal	Capitalised sale of the commercial units to an investor.
Months 32 - 37:	Sale	Reflects c.4 residential units sold per month following practical completion.

Source: CBRE Analysis

5 Site Value (or ‘Benchmark Land Value’)

- 5.1 Establishing the minimum level of financial return at which a reasonable landowner would be willing to release their land for development represents a critical component of a viability assessment. It must represent a premium over the existing use value (‘EUV’) and a reasonable incentive, in comparison with other options available, for the landowner to sell land for development, whilst allowing a sufficient contribution to comply with policy requirements.
- 5.2 Whilst not directly featuring as a cost in an appraisal conducted on a residual basis, this ‘minimum return’ forms the BLV against which the RLV derived from the appraisal is tested in order to determine the viability of the Proposed Development and scope for planning obligations (including affordable housing).
- 5.3 The Government’s PPGV requires that the BLV should:
- ‘...be informed by market evidence including current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value... This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.’²⁶*
- 5.4 Paragraph 016 of PPGV provides further elaboration. It states:
- ‘Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners.’²⁷*
- 5.5 The approach adopted for arriving at an appropriate BLV for the Site follows that set out within Chapter 3 of this document and accords with the relevant RICS Guidance, PPGV and the NPPF (2021). It considers:
- the existing use value (‘EUV’) of the subject site;
 - the alternative use value (‘AUV’) of the subject site;
 - the premium; and
 - available comparable evidence of land transactions.

Existing Use Value (‘EUV’)

- 5.6 The application site comprises 1,176m² (12,568ft²) of warehouse accommodation, on a site area extending to circa 0.29 acres.
- 5.7 CBRE has undertaken analysis of market transactions for retail property in the vicinity in order to inform a calculation of the EUV of the existing premises upon the subject Site. The lease transactions are set out in the following table.

²⁶ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 014

²⁷ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 016

Site Value (or 'Benchmark Land Value')

Table 5.1: Industrial Lease Transactions

Address	Transaction Date	Rent (per annum)	Size (ft ²)	Rent (£/ft ²)	Comment
Units 6-10 - 167 Hermitage Rd (Crusader)	May 2021	£57,837	3,305	£17.50 (asking)	Asking rent quoted.
Units 6-10 - 167 Hermitage Rd (Crusader)	May 2021	£7,000	400	£17.50 (asking)	Asking rent quoted.
Units 6-10 - 167 Hermitage Rd (Crusader)	Mar 2021	£64,733	3,699	£17.50 (asking)	Asking rent quoted.
Units 11A-11B - 167 Hermitage Rd (Crusader)	Nov 2020	£85,173	4,867	£17.50 (asking)	Asking rent quoted.
Unit 21 Cranford Way Industrial Estate, N8 9DG	N/A	£110,340	5,517	£20.00 (asking)	Semi-detached commercial building with glazed and profile sheet elevations. On the market.

Source: Agents Advice

- 5.8 Table 5.1 shows a wide range in achievable rents for industrial space, from £17.50 - £20/ft². Traditional industrial units with high eaves height, storage yards with good yard circulation and contain the majority of space on the ground floor with purpose built first floor offices are in high demand and achieve the upper end of the range, such as those at 167 Hermitage Road, Crusader Industrial Estate.
- 5.9 CBRE refers back to Table 4.8 where the latest available industrial units in close proximity to the Site are being marketed at £20 - £25/ft².
- 5.10 Industrial units comprising space with limited parking and yard space, and primarily used for storage, will achieve the lower end of the range set out.
- 5.11 There is little available evidence for industrial transactional yields in the Site location. Knight Frank Investment Yield Guide²⁸ list Secondary Estates at 5.50%. Given the secondary nature of the space we have assumed a more cautious yield of 5.75% to reflect investor sentiment.
- 5.12 CBRE has conducted an investment valuation on the assumption that, were the Proposed Development not to proceed, the existing units would be let in their existing use with the ability to generate market facing lease terms of equivalence to the local market (allowing for location and other factors).
- 5.13 CBRE has adopted a cautious rent of £16/ft² for the industrial warehouse space. Adopting this rental figure, if the unit were let to a single occupier the annual rent generated equates to £202,528 per annum excluding incentives.

Table 5.2 Benchmark Land Value Calculation

Unit	Area (ft ²)	ERV (per annum)	ERV /ft ²	Yield	Gross Capital Value	Rent Free	Void Costs	Net Value
Unit 1, 167 Hermitage Road, London N4 1LZ	2,238							

²⁸ Knight Frank Yield Guide (July 2022)

Site Value (or 'Benchmark Land Value')

Unit	Area (ft ²)	ERV (per annum)	ERV /ft ²	Yield	Gross Capital Value	Rent Free	Void Costs	Net Value
Unit 2, 167 Hermitage Road, London N4 1LZ	8,104							
Unit 3, 167 Hermitage Road, London N4 1LZ	2,316							
Total	12,658							

Source: CBRE Analysis

- 5.14 As can be seen within Table 5.2, the estimated rent per annum is £202,528. CBRE has applied an investment yield of 5.75% and a combined 12 month rent free/void period, which assumes the subject property is vacant for 6 months (in line with market evidence) and a 6-month rent free is granted to the occupier/tenant.
- 5.15 The net values are added together to inform the Existing Use Value ('EUV'). CBRE has deducted purchaser's costs (including stamp duty, agent and legal fees) of 6.42% and applied a 20% premium to this figure (the EUV+ methodology) to incentivise a landowner to release the Site for redevelopment. This generates a Benchmark Land Value ('BLV') of £3.73m.

Industrial Warehouse Transactions

- 5.16 CBRE has undertaken research on market transactions of industrial warehouses sold in their existing use, to further inform the value of the Site.
- 5.17 Table 5.3 demonstrates comparable evidence of industrial warehouses sold in their existing use.

Table 5.3: Summary of Industrial Warehouse Transactions

Address	GIA (ft ²)	Sale Price	Transaction Date	£/ft ²	Comment
Unit 11 The High Cross Centre, Fountainne Road, London, N15 4QL	13,436	£2,800,000	Dec 2020	£208.40	Private individual purchased the freehold interest for owner-occupation. Accommodation comprises 10,215ft ² ground floor, 1,111ft ² offices (ground floor) and 1,072 ft ² office on the first floor. Unit benefits from 3.7m – 5.2m clear loading height, roller shutter door and 3 phase electricity.
110-118 Markfield Road, London, N15 4QF	6,560	£1,680,000	May 2020	£269.27	Property was bought as investment in May 2020. The property is a two-storey brick built building comprising warehouse space on the ground floor (4,800ft ²), office space (580ft ² on the ground floor, 580ft ² on the first floor) and some additional mezzanine space (700ft ²). Property has side and rear yard for loading/unloading, and additional parking for 4 cars to the front of the property.

Site Value (or 'Benchmark Land Value')

Address	GIA (ft ²)	Sale Price	Transaction Date	£/ft ²	Comment
International House, Tariff Road, London, N17 0DY	9,994	£3,250,000	On the market	£325	Secure, gated site. Production and storage areas, open storage and rear yard. Minimum eaves height 2.91m rising to 3.65m. 3 phase power and gas supply. Bordering a residential district. Being sold as an industrial warehouse with development potential. Still on the market.

Source: Agency advice

- 5.18 Table 5.3 shows a range of achievable £/ft² values for industrial warehouses in their existing use between £208 - £325/ft².
- 5.19 The EUV of the Site (no premium attached) is £3.32m. When breaking this back to a £/ft² rate achieved, this equates to £262/ft², well within the range set out.

Determining the EUV+ BLV

- 5.20 Reflecting on the above analysis, when assessed consistently with the methodology of NPPF, PPGV, and RICS Guidance, it is CBRE's professional view that the BLV for the Site equates to **£3.73m**.

6 Appraisal Results

- 6.1 This chapter presents the results of the assessment of financial viability arising from the Proposed Development at the Site.

Viability Appraisal

- 6.2 A policy compliant viability appraisal has been undertaken for the Proposed Development at the Site.
- 6.3 By way of analysis set out in chapter 5 of this document, it is considered that, if acting reasonably and when fully accounting for adopted planning policy, guidance and all other relevant factors, including a minimum 'premium' at which the vendor would be incentivised to dispose of the Site, this results in a BLV of £3.73m.
- 6.4 The policy compliant viability appraisal demonstrates that, when incorporating LBH CIL, affordable housing PIL, the estimated S106 planning obligations and the minimum risk-adjusted developer's return on GDV, the residual land value ('RLV') generated equates to -£442,238. The RLV falls substantially below the BLV.
- 6.5 A copy of the policy compliant viability appraisal for the Proposed Development is provided within **Appendix E**.

Scenario Test

- 6.6 CBRE has scenario tested the implications on financial viability of reducing the level of affordable housing to nil, to assess whether the Proposed Development returns to a financially viable position.
- 6.7 When reducing both the affordable housing contribution to nil, the RLV is £1.83m. This demonstrates that the financial viability of the Proposed Development remains challenged, but that the viability deficit is substantially reduced.
- 6.8 A copy of the 'Scenario Test' viability appraisal for the Proposed Development is provided within **Appendix F**.

Sensitivity Testing

- 6.9 CBRE has undertaken sensitivity testing key appraisal variables in order to seek to return the Proposed Development to a financially viable position.
- 6.10 Utilising the Scenario Test appraisal as a baseline, CBRE has produced a Sensitivity Analysis Report which illustrates that an increase in sales values of 5% and decrease to construction costs of approximately 5% would return an RLV that meets the BLV whilst providing the minimum risk-adjusted developer's return.
- 6.11 A copy of the Sensitivity Analysis Report is provided within **Appendix G**.
- 6.12 This sensitivity scenario would carry significant risk and should be treated with a high degree of caution and, CBRE would advise, given very limited weight.

7 Conclusions

- 7.1 CBRE has been appointed by the Applicant objectively assess, and report upon, the financial viability of the Proposed Development at the Site.
- 7.2 The purpose of the viability assessment is to test the financial viability of the Proposed Development at the Site, accounting for the policy requirements set by the Council as well as national planning policy and guidance.
- 7.3 By way of analysis set out in chapter 5 of this document, it is considered that, if acting reasonably and when fully accounting for adopted planning policy and all other relevant factors, the 'premium' at which the vendor would be incentivised to dispose of the Site represents a total minimum BLV of £3.73m.
- 7.4 The policy compliant viability appraisal demonstrates that, when incorporating CIL liability, affordable housing PIL, the estimated S106 planning obligations, and the minimum risk-adjusted developer's return on cost, the residual land value ('RLV') generated equates to -£442,238. The RLV falls substantially below the BLV.
- 7.5 The delivery of the Proposed Development on a basis of compliance with the Council's adopted development plan fails to generate an RLV sufficient to meet the minimum BLV and the Proposed Development is not financially viable on this basis.
- 7.6 CBRE has subsequently run a Scenario Test to assess the implications on financial viability of removing the affordable housing PIL. This generates a RLV of £1.83m, which remains below the BLV.
- 7.7 The commercial decision whether to proceed with the Proposed Development will therefore be at the discretion of the Applicant.
- 7.8 Despite the commercial risks of bringing the Proposed Development forward, the Applicant has stated their intention to provide 20% of the commercial space at an 80% Discount to Market Rent. The Applicant proposes that this is Unit 6 of the Proposed Development, which equates to 20% of the commercial floorspace provided. This demonstrates the willingness of the Applicant to collaborate with LBH and deliver affordable workspace in the borough.

Appendices

A Location Plan

B Proposed Floor Plans



DO NOT SCALE FROM THIS DRAWING
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FOR ELECTRONIC DATA USE
Electronic data/drawings are issued as "read only" and should not be interrogated for measurement. All dimensions and levels should be read only from those values stated in text, on the drawing.

AREA MEASUREMENT
The areas are approximate and can only be verified by a detailed dimensional survey of the completed building. Any decisions to be made on the basis of these predictions whether as to project viability, pre-letting, lease agreements or the like should include due allowance for the increases and decreases inherent in the design development and building processes. Figures relate to the likely areas of the building at the current state of the design and using Gross External Area (GEA), Gross Internal Area (GIA) and Net Internal Area (NIA) method of measurement from the Code of Measuring Practice, 5th edition (RICS code of practice). All areas are subject to Town Planning and Conservation Area Consent, and detailed Rights to Light analysis.

- KEY:
- COMMERCIAL COMMUNAL LOBBY
 - COMMERCIAL UNIT
 - COMMERCIAL CORE
 - PLANT ROOM
 - RESIDENTIAL LOBBY / CORE
 - 1 BED UNIT
 - 2 BED UNIT
 - 3 BED UNIT
 - TERRACE / BALCONY
 - COMMUNAL EXTERNAL AMENITY SPACE

REVISION	DATE	COMMENT
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PROJECT:
OMEGA WORKS B
HERMITAGE LANE, HARINGEY

CLIENT:
CPG FELDMAN

DRAWING:
PROPOSED
GROUND FLOOR PLAN
SCALE BAR:

DATE: 31.07.22	SCALE: 1:100 @ A1	DRAWN: DW	CHECK: DG
REASON FOR ISSUE: PLANNING			NORTH: ⤴
DRAWING NO: 0092_PL_000			REV: -



DO NOT SCALE FROM THIS DRAWING
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 - PLANT ROOM
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 - 1 BED UNIT
 - 2 BED UNIT
 - 3 BED UNIT
 - TERRACE / BALCONY
 - COMMUNAL EXTERNAL AMENITY SPACE

REVISION	DATE	COMMENT
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PROJECT:
OMEGA WORKS B
HERMITAGE LANE, HARINGEY

CLIENT:
CPG FELDMAN

DRAWING:
PROPOSED
1st FLOOR PLAN
SCALE BAR:

DATE: 31.07.22	SCALE: 1:100 @ A1	DRAWN: DW	CHECK: DG
REASON FOR ISSUE: PLANNING			NORTH: N
DRAWING NO: 0092_PL_100			REV: -



DO NOT SCALE FROM THIS DRAWING
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 - COMMERCIAL CORE
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 - RESIDENTIAL LOBBY / CORE
 - 1 BED UNIT
 - 2 BED UNIT
 - 3 BED UNIT
 - TERRACE / BALCONY
 - COMMUNAL EXTERNAL AMENITY SPACE

REVISION	DATE	COMMENT
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PROJECT:
OMEGA WORKS B
HERMITAGE LANE, HARINGEY

CLIENT:
CPG FELDMAN

DRAWING:
PROPOSED
2nd FLOOR PLAN
SCALE BAR:

DATE: 31.07.22	SCALE: 1:100 @ A1	DRAWN: DW	CHECK: DG
REASON FOR ISSUE: PLANNING			NORTH: ⤴
DRAWING NO: 0092_PL_200			REV: -



DO NOT SCALE FROM THIS DRAWING
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 - COMMERCIAL CORE
 - PLANT ROOM
 - RESIDENTIAL LOBBY / CORE
 - 1 BED UNIT
 - 2 BED UNIT
 - 3 BED UNIT
 - TERRACE / BALCONY
 - COMMUNAL EXTERNAL AMENITY SPACE

REVISION	DATE	COMMENT
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PROJECT:
OMEGA WORKS B
HERMITAGE LANE, HARINGEY

CLIENT:
CPG FELDMAN

DRAWING:
PROPOSED
3rd FLOOR PLAN
SCALE BAR:
0m 5m 10m

DATE: 31.07.22	SCALE: 1:100 @ A1	DRAWN: DW	CHECK: DG
REASON FOR ISSUE: PLANNING			NORTH: N
DRAWING NO: 0092_PL_300			REV: -



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 - 3 BED UNIT
 - TERRACE / BALCONY
 - COMMUNAL EXTERNAL AMENITY SPACE

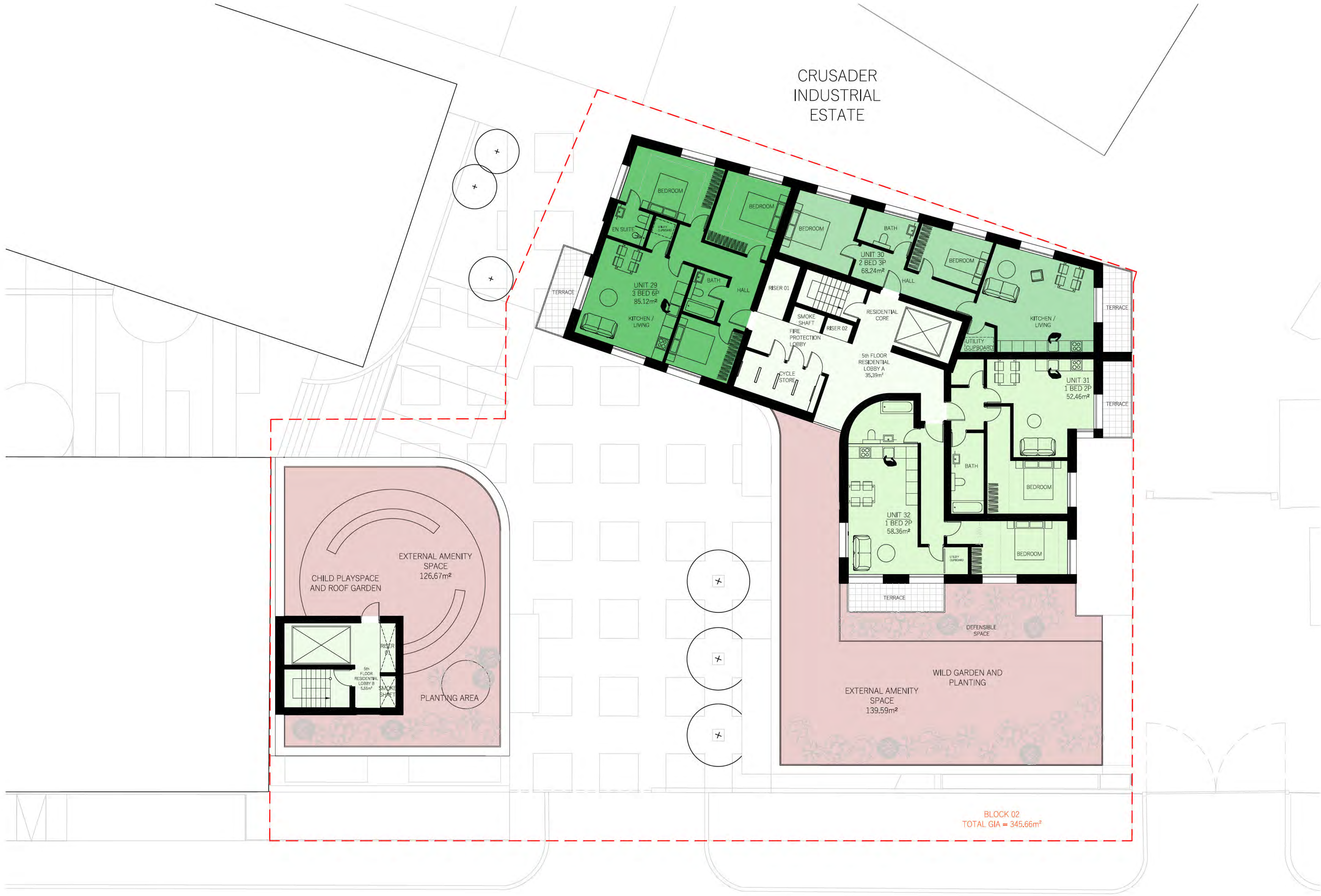
REVISION	DATE	COMMENT
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PROJECT:
OMEGA WORKS B
HERMITAGE LANE, HARINGEY

CLIENT:
CPG FELDMAN

DRAWING:
PROPOSED
4th FLOOR PLAN
SCALE BAR:

DATE: 31.07.22	SCALE: 1:100 @ A1	DRAWN: DW	CHECK: DG
REASON FOR ISSUE: PLANNING			NORTH: ⤴
DRAWING NO: 0092_PL_400			REV: -



DO NOT SCALE FROM THIS DRAWING
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 - 3 BED UNIT
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 - COMMUNAL EXTERNAL AMENITY SPACE

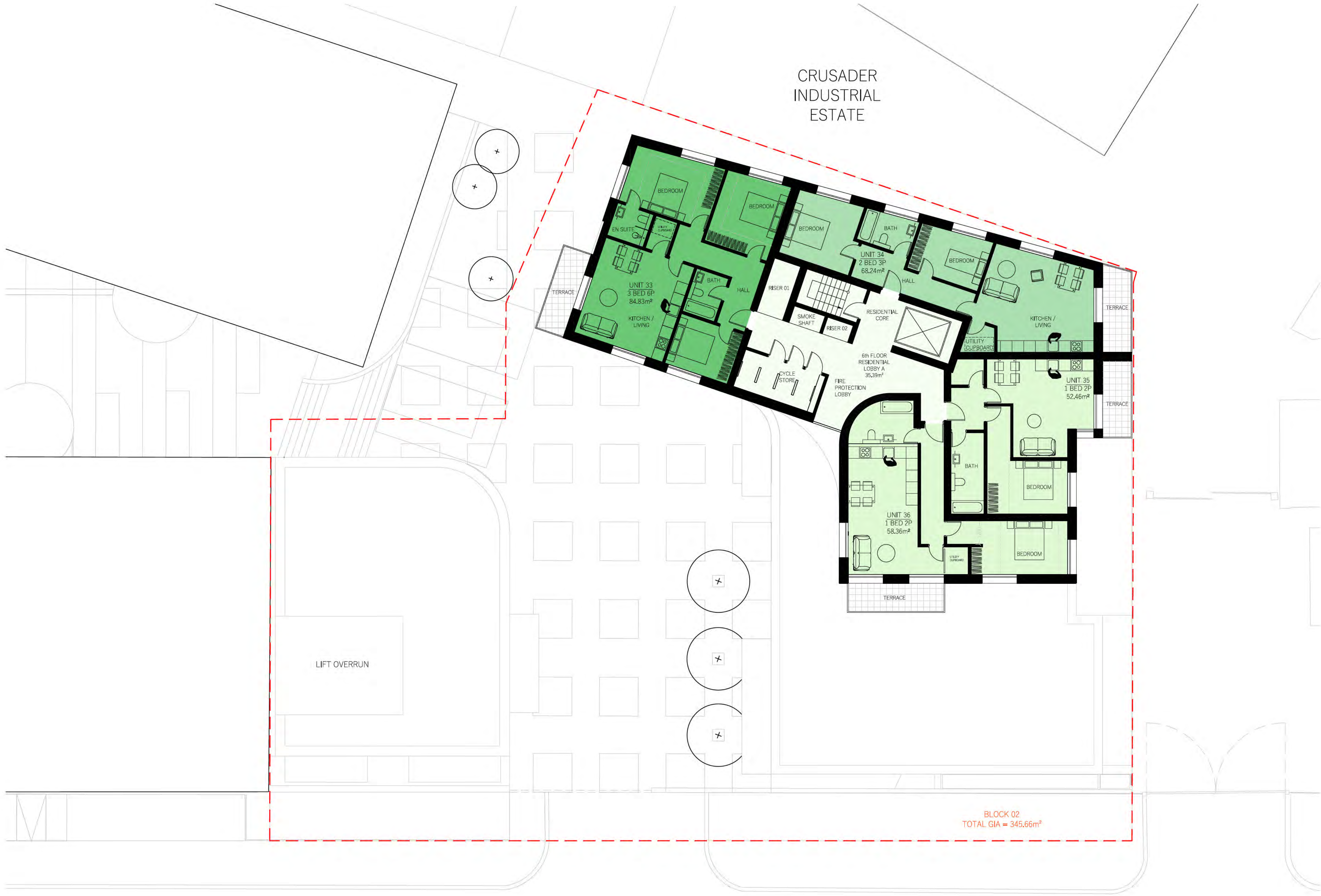
REVISION	DATE	COMMENT
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PROJECT:
OMEGA WORKS B
HERMITAGE LANE, HARINGEY

CLIENT:
CPG FELDMAN

DRAWING:
PROPOSED
5th FLOOR PLAN
SCALE BAR:

DATE: 31.07.22	SCALE: 1:100 @ A1	DRAWN: DW	CHECK: DG
REASON FOR ISSUE: PLANNING			NORTH: ⤴
DRAWING NO: 0092_PL_500			REV: -



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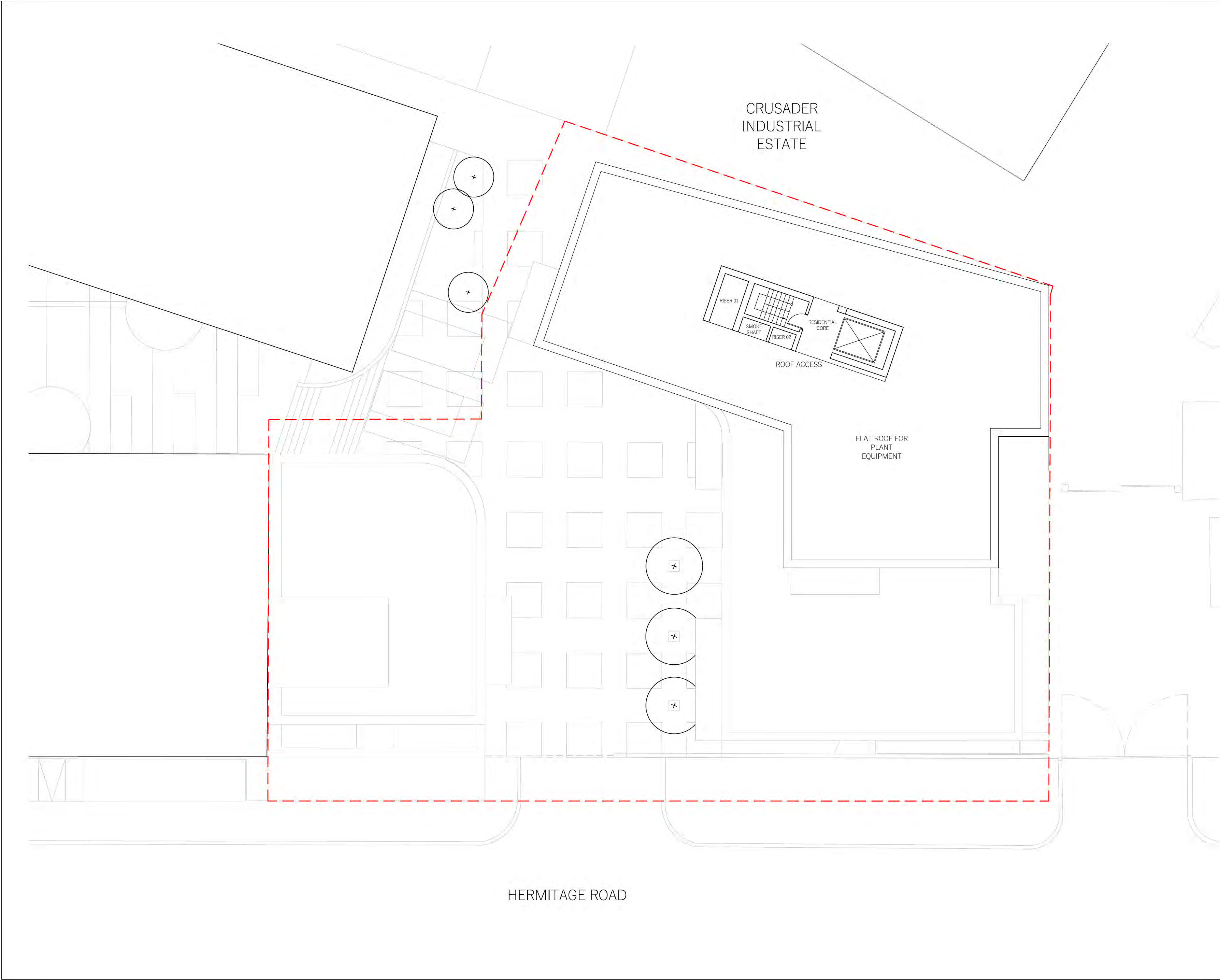
REVISION	DATE	COMMENT
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PROJECT:
OMEGA WORKS B
HERMITAGE LANE, HARINGEY

CLIENT:
CPG FELDMAN

DRAWING:
PROPOSED
6th FLOOR PLAN
SCALE BAR:
0m 5m 10m

DATE: 31.07.22	SCALE: 1:100 @ A1	DRAWN: DW	CHECK: DG
REASON FOR ISSUE: PLANNING			NORTH: N
DRAWING NO: 0092_PL_600			REV: -



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 - COMMUNAL EXTERNAL AMENITY SPACE

REVISION	DATE	COMMENT
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PROJECT:
OMEGA WORKS B
HERMITAGE LANE, HARINGEY

CLIENT:
CPG FELDMAN

DRAWING:
PROPOSED
ROOF PLAN



DATE: 31.07.22	SCALE: 1:100 @ A1	DRAWN: DW	CHECK: DG
REASON FOR ISSUE: PLANNING			NORTH:
DRAWING NO: 0092_PL_700			REV: -

C Area Schedule

Omega Works B: Area Schedule

Project Code	0092			
Project Title	Omega Works (B)			
Sheet Name	1 of 1			
Created Date	28.01.2022			

EXISTING AREA				
Location	Unit Type	Area	Sub Total	Notes
Ground Floor	Luggage Storage Unit	905		
First Floor	Storage Space	214		
SUB-TOTAL			1179	
PROPOSED AREA				
Location	Unit Type	Area	Sub Total	Notes
COMMUNAL				
Ground Floor				
	Resi & Commercial Bin Store	43.57		
	Residential Lobby 01	108.41		
	Residential Lobby 02	21.13		
	Residential Office	28		
Upper Levels				
	1st Floor Residential Lobby A	22.98		
	1st Floor Residential Lobby B	5.86		
	2nd Floor Residential Lobby A	27.59		
	2nd Floor Residential Lobby B	5.86		
	3rd Floor Residential Lobby A	27.59		
	3rd Floor Residential Lobby B	5.86		
	4th Floor Residential Lobby A	27.59		
	4th Floor Residential Lobby B	5.86		
	5th Floor Residential Lobby A	35.39		
	5th Floor Residential Lobby B	5.86		
	6th Floor Residential Lobby A	35.39		
	Roof Lobby A	26.34		
SUB-TOTAL			432.26	
COMMERCIAL				
Ground Floor				
	Commercial Plant 1	85.82		
	Commercial Plant 2	21.42		
	Commercial Plant 3	25.62		
	Commercial Plant 4	7.89		
	Unit 01	89.63		
	Unit 02	51.2		
	Unit 03	36.11		
	Unit 04 (FOYER EVENT SPACE)	81.88		
	Unit 05	43.92		
First Floor				
	1st Floor Commercial Lobby	18.83		
	Unit 06	106.7		
	Unit 07	149.8		
SUB-TOTAL			696.62	
RESIDENTIAL				
First Floor				
	UNIT 01 - 2B3P	89.11		
	UNIT 02 - 1B2P	64.71		
	UNIT 03 - 2B4P	70.04		
	UNIT 04 - 2B3P	78.26		
Second				
	UNIT 05 - 2B4P	88.21		
	UNIT 06 - 1B2P	66.22		
	UNIT 07 - 2B4P	75.17		
	UNIT 08 - 2B3P	88.24		
	UNIT 09 - 1B2P	59.99		
	UNIT 10 - 3B6P	109.18		
	UNIT 11 - 2B4P	76.34		
	UNIT 12 - 1B2P	50.92		
Third				
	UNIT 13 - 1B2P	53.16		
	UNIT 14 - 1B2P	64.13		
	UNIT 15 - 2B4P	75.26		
	UNIT 16 - 2B3P	88.24		
	UNIT 17 - 1B2P	59.99		
	UNIT 18 - 3B6P	109.25		
	UNIT 19 - 2B4P	76.34		
	UNIT 20 - 1B2P	50.92		
Fourth				
	UNIT 21 - 1B2P	52.4		
	UNIT 22 - 1B2P	64.13		
	UNIT 23 - 2B4P	75.26		
	UNIT 24 - 2B3P	88.24		
	UNIT 25 - 1B2P	61.58		
	UNIT 26 - 3B6P	109.25		
	UNIT 27 - 2B4P	76.24		
	UNIT 28 - 1B2P	50.92		
Fifth				
	UNIT 29 - 3B6P	95.12		
	UNIT 30 - 2B3P	88.24		
	UNIT 31 - 1B2P	52.46		
	UNIT 32 - 1B2P	58.36		
Sixth				
	UNIT 33 - 3B6P	84.83		
	UNIT 34 - 2B3P	88.24		
	UNIT 35 - 1B2p	52.46		
	UNIT 36 - 1B2p	58.36		
SUB-TOTAL			2499.78	
TOTAL SCHEME AREA			3628.66	

D Cost Estimate



Omega Works B

**167 Hermitage Road, Haringey,
London, N4 1NA**

CPG Limited



Stage 2 'Concept Design' Cost Plan

Revision 2, Issue 1

Prepared by Andrew Bish
andrew.bish@abc-consult.co.uk
Tel: 07714 720454

ABC Independent Construction Consultants
www.abc-consult.co.uk

Document Control

Revision	Issue	Date	Prepared by	Checked by
01	01	19/07/2022	Will Clayton	Andrew Bish
02	01	11/08/2022	Will Clayton	Andrew Bish

Document History

1 Introduction

This Cost Plan has been prepared to provide the Client with an indication of the potential construction cost of the works.

This Cost Plan has been based on the Architect's drawings, and includes, where sufficient information exists, costs based on approximate quantities. 'Lump Sum' allowances having been allowed elsewhere. Preliminaries and Contingencies have been allowed on a percentage basis.

2 Generally

Project Reference:	Omega Works B
Sub-Heading	167 Hermitage Road, Haringey, London, N4 1NA
Building Type:	Commercial and Residential
Client:	CPG Limited
RIBA Work Stage:	2 'Concept Design'
Date of Costing:	August 2022

Estimated Construction Cost	£12,050,000	
GIA	4,278m ²	46,045/ft ²
£/GIA	£2,817/m ²	262/ft ²

3 Available Information

DHaus Architects Drawing Numbers:

0092_PLN_PRO_000 Ground Floor Plan
0092_PLN_PRO_001 First Floor Plan
0092_PLN_PRO_002 Second Floor Plan
0092_PLN_PRO_003 Third Floor Plan
0092_PLN_PRO_004 Fourth Floor Plan
0092_PLN_PRO_005 Fifth Floor Plan
0092_PLN_PRO_006 Sixth Floor Plan
0092_PLN_PRO_007 Roof Plan

0092 OMEGA B Areas Rev 17_31st July 2022

4 Notes and Assumptions

Refer to cost plan build up for assumed specifications.

5 Exclusions

Contingency

No allowance for unexpected site conditions, design development, pricing risk or other project risks.

Fees

Survey Fees

Planning Application Fees

Building Control Fees

Design Team Professional Fees (including Contractor's design fees)

Contamination

Refurbishment & Demolition asbestos survey / removal of any asbestos containing materials

Removal of contaminated soil

Scope

Fitting out of commercial spaces - assumed shell only, no lifts no stairs

Roof terraces

NOx filters to apartments

Fitted wardrobes

Artwork

Infrastructure upgrades, i.e. Section 38, 106, 278 Contributions

Property Costs

Decanting costs

Land costs

Agents Fees/Marketing Costs

Party Wall Awards, Rights to Light issues

Legal fees

Other

Inflation beyond the date of this cost plan.

Value Added Tax

Area Schedule

	Commercial NIA m2	Communal NIA m2	Residential NIA m2	Total NIA m2	Total GIA m2	Studio/ 1 Bed	2 Bed	3 Bed	Total
Block 01									
Ground Floor	121	21		142	185				
First Floor		6	134	139	168	1	1		2
Second Floor		6	134	140	168	1	1		2
Third Floor		6	117	123	158	2			2
Fourth Floor		6	117	122	163	2			2
Fifth Floor		6		6	20				
Sub-Total	121	49	502	672	862	6	2		8
Block 2									
Ground Floor	217	266		482	578				
First Floor	273	23	148	444	561		2		2
Second Floor		28	440	467	528	2	3	1	6
Third Floor		28	440	468	528	2	2	2	6
Fourth Floor		28	441	469	528	2	2	2	6
Fifth Floor		35	264	300	346	1	1	2	4
Sixth Floor		35	264	299	346		1	3	4
Sub-Total	489	442	1,998	2,929	3,416	7	11	10	28
Total	610	492	2,500	3,602	4,278	13	13	10	36

Ref		Total (£)	£/m²	£/ft²
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Omega Works B

Omega Works B 167 Hermitage Road, Haringey, London, N4 1NA



Ref		Qty	Unit	Rate	Extension
0	Demolition & Alterations				
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Total to summary				[REDACTED]
1	[REDACTED]				
	[REDACTED]				
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total to summary					[REDACTED]

Omega Works B

Omega Works B 167 Hermitage Road, Haringey, London, N4 1NA



Ref		Qty	Unit	Rate	Extension
2.1	Frame				
		Total to summary			
		Total to summary			
		Total to summary			
		Total to summary			
		Total to summary			
		Total to summary			
		Total to summary			
		Total to summary			
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		Total to summary			
		Total to summary			

Omega Works B

Omega Works B 167 Hermitage Road, Haringey, London, N4 1NA



Ref		Qty	Unit	Rate	Extension
2.6	Windows and External Doors				
		Total to summary			
		Total to summary			
		Total to summary			

Omega Works B

Omega Works B 167 Hermitage Road, Haringey, London, N4 1NA



Ref		Qty	Unit	Rate	Extension
3.1	Wall Finishes				
Total to summary					
Total to summary					

Omega Works B

Omega Works B 167 Hermitage Road, Haringey, London, N4 1NA



Ref		Qty	Unit	Rate	Extension
3.3	Ceiling Finishes				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	Total to summary				
1	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
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	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	Total to summary				
2	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
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	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	Total to summary				

Omega Works B

Omega Works B 167 Hermitage Road, Haringey, London, N4 1NA



Ref		Qty	Unit	Rate	Extension
5.6	Space Heating & Air Conditioning				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
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	[REDACTED]				
	[REDACTED]				
Total to summary					
[REDACTED]	[REDACTED]				
	[REDACTED]				
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	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
Total to summary					

Omega Works B

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Ref		Qty	Unit	Rate	Extension
5.8	Electrical Installations				
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Total to summary				[REDACTED]
5.9	Gas & Other Fuel Installations				
	No work required				
	Total to summary				

Omega Works B

Omega Works B 167 Hermitage Road, Haringey, London, N4 1NA



Ref		Qty	Unit	Rate	Extension
5.10	Lifts & Conveyors				
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
		Total to summary			[REDACTED]
[REDACTED]	[REDACTED]				
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
		Total to summary			[REDACTED]
[REDACTED]	[REDACTED]				
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
		Total to summary			[REDACTED]
[REDACTED]	[REDACTED]				
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
		Total to summary			[REDACTED]

Omega Works B

Omega Works B 167 Hermitage Road, Haringey, London, N4 1NA



Ref		Qty	Unit	Rate	Extension
11	Main Contractor's Overheads and Profit ████████████████████	█	██	████	████
		Total to summary			████
12	Project/Design Team Fees Excluded				
		Total to summary			
13	Other Development/Project Costs Excluded				
		Total to summary			
14	Price/Design Allowance & Risk Excluded				
		Total to summary			
15	Tender Price Inflation Excluded				
		Total to summary			

E Policy Compliant Viability Appraisal

Omega B Works

Development Appraisal
CBRE Limited
17 August 2022

APPRAISAL SUMMARY

CBRE LIMITED

APPRAISAL SUMMARY

CBRE LIMITED

Omega B Works

Appraisal Summary for Phase 2 Policy Compliant - 08.08.2022

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
1000000	1000	10000	100000	100000	1000000
2000000	2000	20000	200000	200000	2000000
3000000	3000	30000	300000	300000	3000000
4000000	4000	40000	400000	400000	4000000
5000000	5000	50000	500000	500000	5000000
6000000	6000	60000	600000	600000	6000000
7000000	7000	70000	700000	700000	7000000
8000000	8000	80000	800000	800000	8000000
9000000	9000	90000	900000	900000	9000000
10000000	10000	100000	1000000	1000000	10000000
11000000	11000	110000	1100000	1100000	11000000
12000000	12000	120000	1200000	1200000	12000000
13000000	13000	130000	1300000	1300000	13000000
14000000	14000	140000	1400000	1400000	14000000
15000000	15000	150000	1500000	1500000	15000000
16000000	16000	160000	1600000	1600000	16000000
17000000	17000	170000	1700000	1700000	17000000
18000000	18000	180000	1800000	1800000	18000000
19000000	19000	190000	1900000	1900000	19000000
20000000	20000	200000	2000000	2000000	20000000

APPRAISAL SUMMARY

CBRE LIMITED

Omega B Works

CONSTRUCTION COSTS

Construction

ft² Build Rate ft²

Cost

██████████

114

11

114

██████████

██████████

114

1

██████████

114

11

10

10

2

1

████████████████████

114

114

F Scenario Test Appraisal

Omega B Works

Development Appraisal
CBRE Limited
17 August 2022

APPRAISAL SUMMARY **CBRE LIMITED**

APPRAISAL SUMMARY

CBRE LIMITED

Omega B Works

Appraisal Summary for Phase 1 Proposed Scheme (100% Private) - 08.08.2022

Currency in £

REVENUE

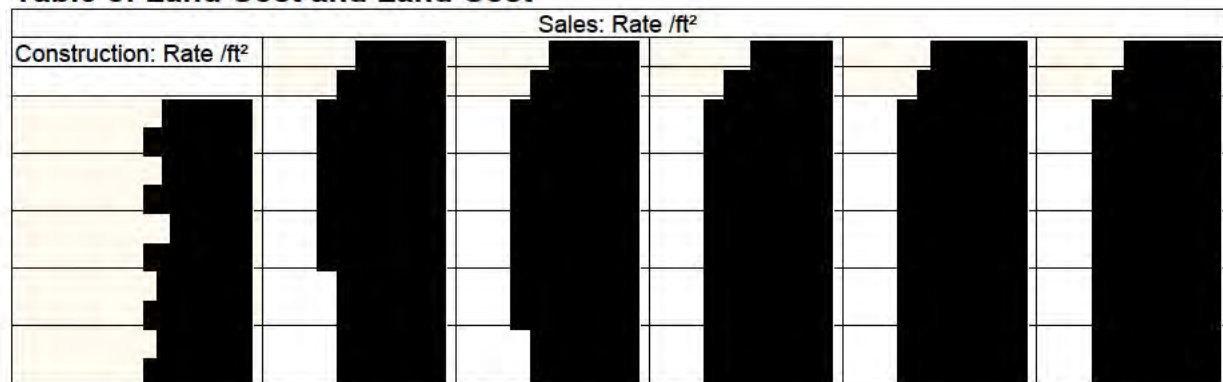
Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
1000000	1000	10000	1000	1000	1000000
2000000	2000	20000	2000	2000	2000000
3000000	3000	30000	3000	3000	3000000
4000000	4000	40000	4000	4000	4000000
5000000	5000	50000	5000	5000	5000000
6000000	6000	60000	6000	6000	6000000
7000000	7000	70000	7000	7000	7000000
8000000	8000	80000	8000	8000	8000000
9000000	9000	90000	9000	9000	9000000
10000000	10000	100000	10000	10000	10000000
11000000	11000	110000	11000	11000	11000000
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28000000	28000	280000	28000	28000	28000000
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31000000	31000	310000	31000	31000	31000000
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34000000	34000	340000	34000	34000	34000000
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37000000	37000	370000	37000	37000	37000000
38000000	38000	380000	38000	38000	38000000
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40000000	40000	400000	40000	40000	40000000
41000000	41000	410000	41000	41000	41000000
42000000	42000	420000	42000	42000	42000000
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46000000	46000	460000	46000	46000	46000000
47000000	47000	470000	47000	47000	47000000
48000000	48000	480000	48000	48000	48000000
49000000	49000	490000	49000	49000	49000000
50000000	50000	500000	50000	50000	50000000
51000000	51000	510000	51000	51000	510

Omega B Works

Omega B Works

G Sensitivity Test Appraisal

Table of Land Cost and Land Cost



Sensitivity Analysis : Assumptions for Calculation

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Private Units	1		2.00 Up & Down

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Construction	1		2.00 Up & Down