

## **APPENDIX**

### **Former Park Tavern Public House, 220 Park Lane, N17**

#### **Viability Assessment**

The applicant has submitted an economic viability assessment of the proposed development using the 'Three Dragons' toolkit. This sets out the projected costs and values of each element of the proposal – the new community hall, retail space and the residential flats.

The scheme is for 100% affordable flats with a known financial offer from a Registered Social Landlord. The community hall is a major 'cost' to the development as it is required to be built by the developer for a religious group as part of an agreement to acquire that group's existing premises, the site of which is required as part of the major redevelopment proposals for the new Tottenham Hotspur football stadium. It produces no economic value for this specific scheme (but is clearly needed in terms of the 'bigger picture'). The retail space is to be operated on a commercial basis.

The design of the residential element of the scheme requires integrated management of all the flats and, with just one entrance, it is unlikely to be a more viable development with a mix of private and affordable units.

The estimated costs in the appraisal are backed by a detailed cost plan. Off-site highway improvement works are not costed but, if any are required, the applicant has undertaken to fund those directly. The applicant is also willing to take steps to encourage the use of local labour in the construction contract.

The appraisal shows a negative land value for the landowner (ie. substantially less than the land acquisition cost) and, with no profit element included for the developer, this negative land value means the scheme is effectively being subsidised by the landowner to facilitate the other, larger, redevelopment proposals.

The appraisal is considered robust. On the basis of it, and recognising the link with wider regeneration proposals, it is considered that this scheme on its own cannot reasonably be required to make any s106 payments.