

APPENDIX 6. Financial Viability Assessment (FVA) Review (July 2025).

Confidential



Our ref: JK

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Gareth Prosser
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9 July 2025

Dear Gareth

Review of the Viability Addendum produced by JLL for Edmansons Close, Bruce Grove, Tottenham, London N17 6XD

GL Hearn were previously instructed by the applicant, The Drapers' Company, to undertake a due diligence review of a Financial Viability Assessment (FVA) completed by JLL submitted in support of planning application HGY/2022/4320 and HGY/2022/4319. An updated review was subsequently completed and an updated report issued on 30 November 2023.

We understand that an update to the viability appraisals has been requested to support the scheme which is shortly to be presented to the planning committee.

Given that the scheme is now vacant in anticipation of future development, we agree with JLL's approach and have continued to assume refurbishment to calculate the Alternative Use Value (AUV). We have therefore considered the two options put forward by JLL: (i) assess the existing scheme for sale as private housing and (ii) assess the existing scheme for sale as 100% affordable housing.

The table below summarises the key inputs and assumptions adopted in the appraisals to establish BLV:

Table 1: Residual Land Value (existing) private sale

Input	GL Hearn assumption	JLL assumption	Agreed?
Construction	8	8	Y
Sales	1 month	0 months	N but happy to agree
Construction cost	£4,781,576	£3,407,570	N
Contingency	5%	0	N
Finance rate	7%	7%	Y
Professional fees	5%	5%	Y
Disposal costs	2.5%	1.5%	N but happy to agree

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Gross development value	£15,256,050	£13,896,906	N
Residual land value	£5,945,122	£5,551,959	N
Developer's profit	10%	10%	Y
Benchmark land value	£7,083,483	£7,765,358	N
Surplus/Deficit	-£1,138,361	-£2,213,399	

We believe the revised refurbishment build cost figure to be low at £3,407,570 and have considered the rates as reported in BCIS which give a median rate of £2,150/m² for the refurbishment of flats in Haringey. This would equate to a build cost rate of £4,782,000 which is the rate we have used in our appraisals.

Scenario 1 – private sale.

JLL have applied the land registry indexation to the private GDV in the original report from September 2022 as follows:

Application Stage BLV GDV	Land Reg Index Q3 2022	Land Reg Index Q2 2025	Revised BLV GDV
£13,594,500	98.90	101.10	£13,896,906

The private GDV of the existing dwellings from the September 2022 report is £15,105,000 therefore we are unsure where the £13,594,500 figure derives from. We believe the correct indexation taken from the UK House Price Index is:

Q3 2022 98.9
Q1 2025 99.7

Using the GDV from the September 2022 report, this would produce a revised GDV of £15,256,050. Please see Appendix 3 for summary.

Scenario 2 - Affordable Rent

We have adopted the same tenure as JLL using Affordable Rent capped at Local Housing Allowance levels. We have determined the Market Rents by collecting comparable evidence.

Unit type	Market Rent pw	80% Market Rent	LHA (outer north London BRMA)	Rent used in appraisal pw
Studio apartment	£300	£240	£264.66	£240.00
1 bed apartment	£335	£268	£264.66	£264.66
2 bed apartment	£425	£340	£322.19	£322.19
2 bed house	£500	£400	£322.19	£322.19

Running a discounted cashflow appraisal using Podplan, specialist software used by the affordable housing sector to financially appraise affordable development opportunities, we believe that the 'package price' if purchased by an affordable housing provider would be £10,382,000. Please see Appendix 1 for summary.

Benchmark Land Value (BLV)

The BLV produced using the updated costs and revenue is:

Scenario 1 (private) £7,090,000
Scenario 2 (affordable) £5,600,000

Proposed scheme

We understand that costs have increased since the last review due to timing and the request for additional sustainability measures. We accept the build cost figure provided and have used this in our appraisal.

Gross Development Value (GDV)

In our response letter dated 30 November 2023 we did not accept JLL's GDV figure and noted that they had used a different unit mix to that provided in the design and access statement. We have continued to appraise the mix as provided in the design and access statement.

We have indexed the values to today's date using the land registry indexation information

Table 2: House price index

GDV November 2023	Index November 2023	Index April 2025	Revised GDV
£22,638,719	97.30	99.70	£23,158,710

Please see Appendix 2 for summary.

Conclusion

We understand that the applicant continues to maintain that the existing properties should be considered as private residential rather than affordable and provide our opinion on both scenarios below.

Table 3: Viability conclusions

Scenario	Proposed scheme RLV	BLV	Surplus/Deficit	Exceeds BLV Y / N
All private	£5,945,000	£7,090,000	-£1,145 million	N
All affordable	£5,945,000	£5,600,000	+£0.345 million	Y

We conclude that the scheme as proposed is capable of supporting contributions to the local planning authorities affordable housing provision if the BLV is assessed as 100% affordable.

Yours sincerely



Jenny Kay
Development Director

