



20 October 2015

David Merson
Haringey Council
Legal Services
7th floor, Alexandra House
10 Station Road,
Wood Green
London
N22 7TR

Dear David

Discharge of Conditions – Seven Sisters Development Agreement dated 3 August 2007 (as subsequently varied)

I write further to the minutes of the Haringey cabinet meeting Tuesday 15 July 2014, item CAB684, to confirm that the conditions of the Development Agreement, dated 3 August 2007 (as subsequently varied), between The Mayor And Burgesses of the London Borough of Haringey (LBH), Grainger Seven Sisters Limited (GSSL) and Northumberland & Durham Property Trust have either been satisfied or are capable of satisfaction. I address the conditions below in the order they appear in the Development Agreement.

The Secretary of State's Consent Condition

We confirm this condition is satisfied.

The LUL Condition

GSSL continue in negotiations with London Underground Limited (LUL) regarding the acquisition of their interests. It is expected that the contractual terms of a disposal to GSSL will be agreed by the end of December, with a subsequent exchange of contracts in early 2016. With this date in mind, we consider that the LUL land must be included within the CPO. Notwithstanding this, we understand that until the exchange of contracts LUL must object to the CPO. This is in order to prevent the forced sale of any operational assets that they own. The proposed deal structure with LUL will result in this objection being removed. I understand that LUL will be writing to you with further information

Included within the LUL ownership is an LBH-listed Asset of Community Value. GSSL and LUL are considering the implications of this listing but, in any event, it does not operate so as to prevent a disposal to GSSL.

We confirm this condition is capable of satisfaction.



The Design Condition – Satisfied

We confirm this condition is satisfied.

The Planning Condition – Satisfied

We confirm this condition is satisfied.

The Site Assembly Condition – Capable of Satisfaction

Grainger, LBH and LUL own 72% of the development site. At the date of this letter terms have been agreed to acquire three further freehold interests.

To summarise the current status of all remaining freehold and leasehold acquisitions:

- **709A Seven Sisters Road (Leasehold)** [REDACTED]
- **709B Seven Sisters Road (Leasehold)** [REDACTED]
- **711/711A Seven Sisters Road** [REDACTED]
- **717-719 Seven Sisters Road** [REDACTED]
- **1A&B West Green Road –** [REDACTED]
- **3-7 West Green Road –** [REDACTED]
- **3-7 West Green Road (Leasehold)** [REDACTED]
- **227 – 237 High Road (TFL)** [REDACTED]
- **255-259 High Road –** [REDACTED]
- **255-259 High Road (Leasehold)** [REDACTED]
- **8 Suffield Road –** [REDACTED]
- **14 Suffield Road –** [REDACTED]
- **16 Suffield Road –** [REDACTED]
- **28 Suffield Road –** [REDACTED]
- **30 Suffield Road –** [REDACTED]
- **9-11 West Green Road –** [REDACTED]
- **9-11 West Green Road (Leasehold) –** [REDACTED]

Although GSSL will continue to make every reasonable effort to acquire these interests by negotiation, we anticipate that this will not be possible in relation to at least three property interests. If so, GSSL will require the use of Compulsory Purchase Powers by LBH to satisfy



the site assembly condition. To this end, this condition is capable of being satisfied subject to the making and confirmation of a Compulsory Purchase Order.

The Stopping Up Order Condition – Capable of Satisfaction

We append to this letter a plan showing the area of highway required to be stopped up in order to facilitate the carrying out of the development. It is GSSL's intention to submit an application to the Department for Transport for the stopping up of the land hatched black and white on the attached plan.

We confirm that this condition is capable of satisfaction subject to the making and confirmation of a stopping up order.

The Necessary Consents Condition – Capable of Satisfaction

Under the terms of the Development Agreement, Necessary Consents are those consents apart from and excluding Satisfactory Permission to the extent required to enable commencement of the Development.

We confirm that this condition is capable of satisfaction.

The Funding Condition – Capable of Satisfaction

Appended to this letter is a letter from the Financial Director of Grainger PLC, supported by a letter from Barclays Bank, confirming that sufficient funds are in place for GSSL to deliver the development.

On the basis of this letter we confirm that this condition is capable of satisfaction.

The Viability Condition – Capable of Satisfaction

We append to this letter a copy of our current development appraisal for the project.

On the basis of this appraisal we confirm that this condition is capable of satisfaction.

Yours sincerely,

Nick Jopling
Executive Director

cc: Abdul Qureshi (LB Haringey)
Matthew Gaynor (Head of Finance, Housing and Regeneration, LB Haringey)

17 July 2007

Mr Philip Cunliffe-Jones
London Borough of Haringey
Civic Centre High Road
Wood Green
London
N22

Our Ref: HAPF 4/1/19 - Part 4
Your Ref: LEG/PLA/PCJ/11061

Dear Mr Cunliffe-Jones

HOUSING ACT 1985 - SECTIONS 32-34
12, 18 AND 20 SUFFIELD ROAD AND 713 SEVEN SISTERS ROAD, LONDON,
N15

1. Thank you for your letters of 7 and 18 June 2007 (and attachments).
2. In exercise of her powers under sections 32-34 of the Housing Act 1985, the Secretary of State for Communities and Local Government hereby consents to the London Borough of Haringey granting an option to purchase the freehold interest of 12, 18 and 20 Suffield Road, London, N15 5BX and 713 Seven Sisters Road, London, N15 5JT (hatched black on the attached site plan) to Grainger Seven Sisters Limited (Northumberland & Durham Property Trust Limited joining as guarantor) for the sum of £184,000 for the reasons and on, or substantially on, the terms and conditions outlined in the Council's correspondence with this Department.
3. No further consent of the Secretary of State under section 133 of the Housing Act 1988 (consent required for certain subsequent disposals) is required for the subsequent disposal of the properties which are the subject of this consent.
4. The consent is numbered Hsg.07-08/39. Please quote this reference, along with the reference above, in any future correspondence relating to this document.

Yours sincerely



Jo Thorpe



20 October 2015

David Merson
Haringey Council
Legal Services
7th floor, Alexandra House
10 Station Road,
Wood Green
London
N22 7TR

Dear David

Seven Sisters Regeneration

I am writing on behalf of Northumberland and Durham Property Trust (NDPT) which is a subsidiary of Grainger plc.

I write to confirm our commitment to the delivery of the Seven Sisters regeneration project. Subject to the confirmation of a Compulsory Purchase Order, we are looking to commence development on site in summer 2017.

Grainger plc, of which NDPT is a subsidiary, has delivered a number of mixed use schemes in the past few years. I summarise the most comparable to Seven Sisters below.

Property / Project	Description	Start Date
Hornsey Road Baths, Islington	212 residential units, mix of new build and conversion. New council offices, community buildings and community theatre	2008
Macaulay Walk, Clapham	97 residential units, office units set around a courtyard.	2012
RBKC, Kensington	84 residential units across two development sites. Private and affordable housing, small scale retail.	2015

We trust you recognise our ongoing commitment to the regeneration of Seven Sisters. We are looking forward to being able to start on site once the land has been assembled.

Yours sincerely,


Nick Jopling
Director
Northumberland and Durham Property Trust Limited

cc: Abdul Qureshi (LB Haringey)
Matthew Gaynor (Head of Finance, Housing and Regeneration, LB Haringey)

Grainger PLC

Development Appraisal

Seven Sisters

(September 2015)

Report Date: October 29, 2015

Prepared by Grainger Seven Sisters Limited

APPRAISAL SUMMARY

GRAINGER PLC

Seven Sisters
(September 2015)

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Private Residential	196	146,307	650.00	485,202	95,099,550
Residential Car Parking	44	0	0.00	20,000	880,000
Totals	240	146,307			95,979,550

Rental Area Summary

	Units	ft²	Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail / Restaurant Accommodation	1	30,289	31.89	965,898	965,898	965,898
Seven Sisters Market	1	9,311	21.50	200,187	200,187	200,187
Residential Ground Rents	196			350	68,600	68,600
Totals	198	39,600			1,234,685	1,234,685

Investment Valuation

Retail / Restaurant Accommodation						
Market Rent	965,898	YP @	5.8700%	17.0358		
(1yr Rent Free)		PV 1yr @	5.8700%	0.9446	15,542,478	
Seven Sisters Market						
Market Rent	200,187	YP @	7.5000%	13.3333		
(1yr Rent Free)		PV 1yr @	7.5000%	0.9302	2,482,933	
Residential Ground Rents						
Current Rent	68,600	YP @	5.0000%	20.0000	1,372,000	
					19,397,411	

GROSS DEVELOPMENT VALUE

115,376,961

Purchaser's Costs	5.76%	(1,117,291)	(1,117,291)
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NET DEVELOPMENT VALUE

114,259,670

Additional Revenue

Additional Revenue	1,500,000	1,500,000
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NET REALISATION

115,759,670

OUTLAY

ACQUISITION COSTS

Fixed Price		14,340,353	
Agent Fee	2.00%	286,807	
Costs to Date		6,380,000	
Rights to Light Compensation		800,000	
			21,807,160

Other Acquisition

SDLT, stat Loss, disturbance etc		3,300,056	3,300,056
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CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
Retail / Restaurant Accommodation	30,289 ft²	100.00 pf²	3,028,900
Seven Sisters Market	9,311 ft²	100.00 pf²	931,100
Private Residential	172,402 ft²	215.00 pf²	37,066,430
Totals	212,002 ft²		41,026,430

41,026,430

Developers Contingency	5.00%	2,051,321	
Demolition		2,500,000	
Basement		3,571,540	
			8,122,862

Other Construction

Decontamination		400,000	
Abnormals		5,000,000	
NHBC Warranties		196,000	
			5,596,000

Section 106 Costs

Mayoral CIL		524,160	
Market Trader Compensation		144,300	
West Green Road improvement fund		150,000	
			818,460

PROFESSIONAL FEES

CPO		750,000	
Project Manager		310,000	
Other project costs during CPO		110,000	
Detailed Design		2,059,297	
On site fees		2,236,965	
LUL approval process		137,000	
LUL monitoring		200,000	
			5,803,262

MARKETING & LETTING

Letting Agent Fee	10.00%	123,468	
Letting Legal Fee	5.00%	61,734	
			185,203

DISPOSAL FEES

APPRAISAL SUMMARY**GRAINGER PLC****Seven Sisters
(September 2015)**

Sales Agent Fee	1.75%	1,999,544	
Sales Legal Fee	0.25%	285,649	
			2,285,193

Additional Costs

Dev. Management Fee	3.00%	1,608,546	
			1,608,546

FINANCE

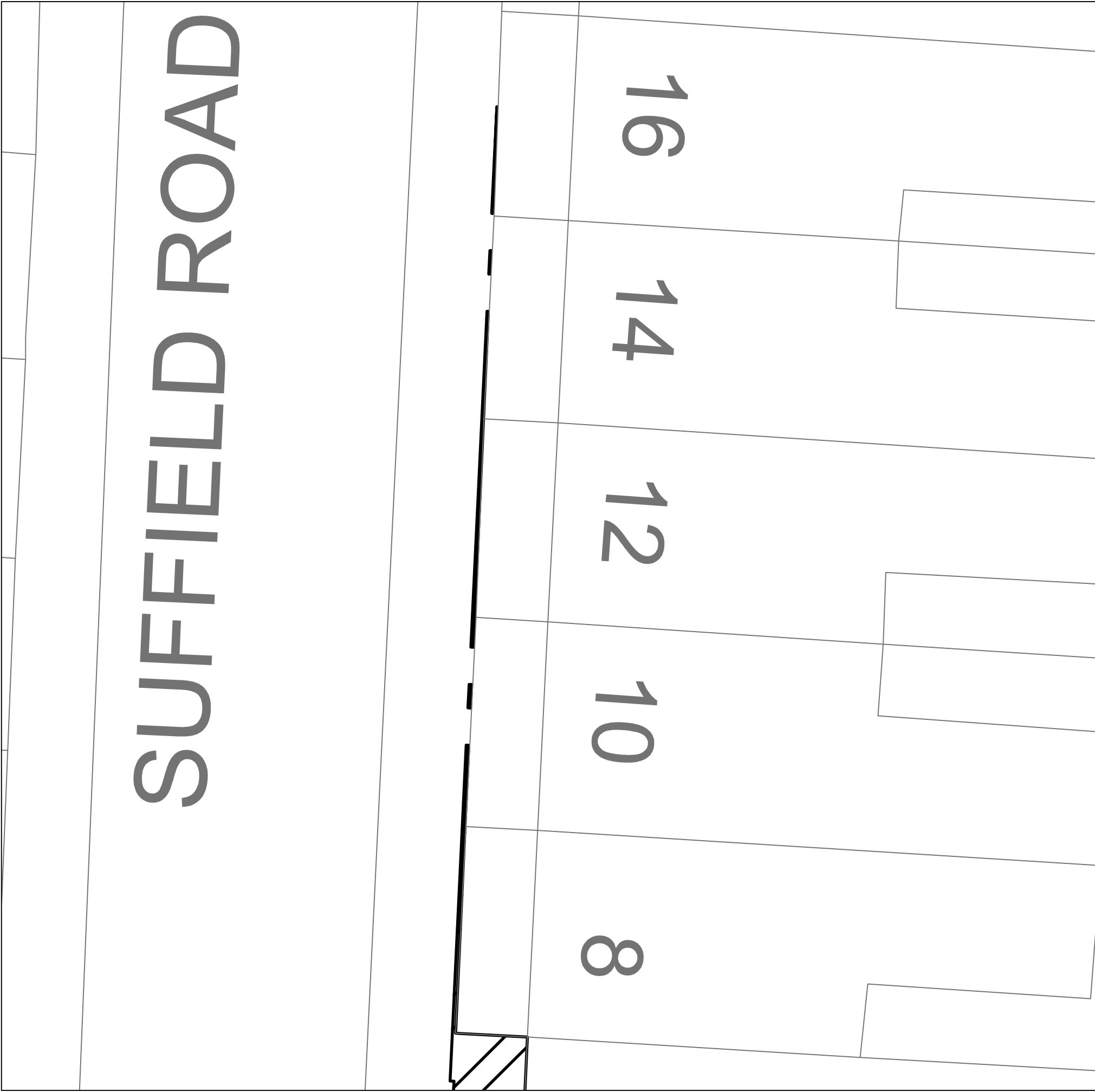
Debit Rate 6.000% Credit Rate 0.000% (Nominal)			
Land		3,006,699	
Construction		4,801,112	
Total Finance Cost			7,807,811

TOTAL COSTS**98,360,982****PROFIT****17,398,688****Performance Measures**

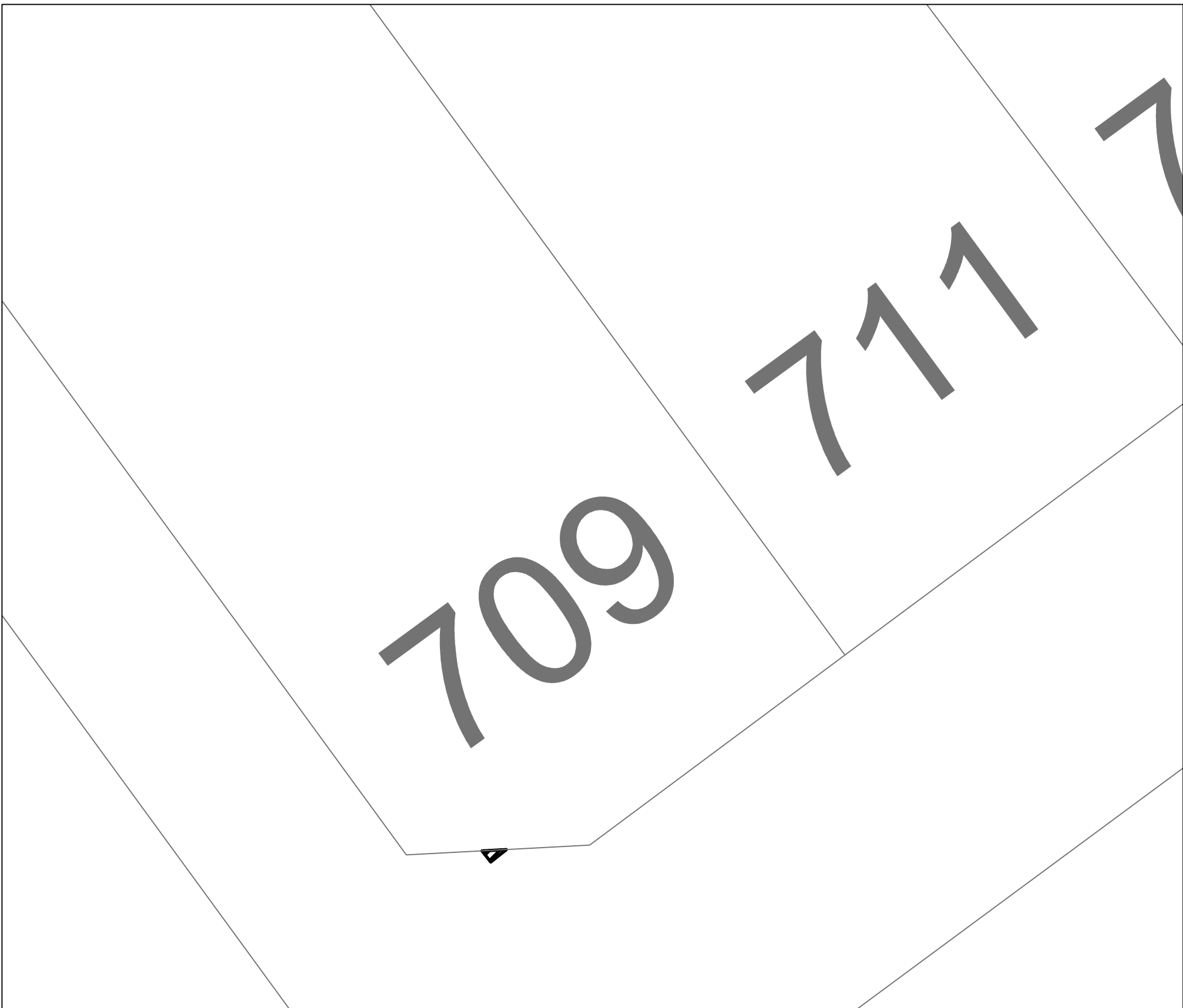
Profit on Cost%	17.69%
Profit on GDV%	15.08%
Profit on NDV%	15.23%
Development Yield% (on Rent)	1.26%
Equivalent Yield% (Nominal)	6.02%
Equivalent Yield% (True)	6.26%

IRR	17.71%
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Rent Cover	14 yrs 1 mth
Profit Erosion (finance rate 6.000%)	2 yrs 9 mths



DETAIL A 1:100



DETAIL B 1:100



PLAN 1:500

notes

1. THIS DRAWING IS TO BE READ IN CONJUNCTION WITH ALL RELEVANT ARCHITECT'S AND ENGINEER'S DRAWINGS AND THE SPECIFICATION.

2. DO NOT SCALE FROM THIS DRAWING.

3. THE EXTENT OF STOPPING-UP SHOWN ON THIS DRAWING IS BASED ON SOME ASSUMPTIONS ABOUT THE CURRENT EXTENT OF ADOPTED HIGHWAY. WE HAVE REQUESTED CONFIRMATION OF THIS FROM THE LOCAL HIGHWAY AUTHORITY, WHICH MAY CHANGE SOME OF OUR CONCLUSIONS.

4. KEY:

AREA TO BE STOPPED-UP.

PLANNING APPLICATION RED LINE BOUNDARY.

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19.10.15

ISSUED FOR INFORMATION

AO

job

WARDS CORNER REGENERATION

title

STOPPING UP ORDER PLAN.

drawn

SMA

date

OCT' 2015

checked

AO

scale (original - A1)

AS SHOWN

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rev.

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