Queensway Parade - Private & Confidential





Dear

Following on from the two letters we have provided to you recently covering off firstly the justification for the £3m affordable housing payment in lieu offer made by the applicant without prejudice, and secondly the letter covering off an analysis of the affordable housing policy cascade in the context of the proposed development and PIL offer, I am pleased to write with a further update.

Following ongoing discussions with the City Council and with the GLA around the payment in lieu, the applicant is willing to increase the PIL offer to £4m, again made without prejudice, and substantiated by reference to the applicants views on current day risk, with this final offer representing the tipping point of deliverability. This has been discussed with the GLA and accepted in principal subject to written confirmation from the applicant to the City Council. We trust you will view this positively given the ongoing discussions, as a sign of the applicant's intention to address this policy point, and move forward the current planning application and deliver this key site.

We will refresh the current request that we have out to Registered Providers for review of the PIL as a conversion to on-site provision. We have had some response to the initial exercise based on conversion of the previous £3m figure, however this will now be re-run for completeness and your reporting.

Do let me know if you would like to discuss at all – it would be good to establish next steps and potential timelines from here to the next available committee (we are aware of the major applications committee on September 28th), subject to the City Council agreeing with this improved offer.

Regards

Laurence

Kind Regards

Area Planning Officer - North Team
Place Shaping and Town Planning - Growth, Planning and Housing

Westminster City Council PO Box 732 Redhill RH1 9FL

Tel: (Please note new number) westminster.gov.uk

london.gov.uk> Sent: 13 August 2021 11:25 WCC < To: westminster.gov.uk> Cc: london.gov.uk> Subject: RE: Queensway Parade - Private & Confidential I couldn't seem to open this – would you be able to resend please. Thanks WCC < From: westminster.gov.uk> **Sent:** 12 August 2021 20:05 london.gov.uk>; london.gov.uk> To: Subject: FW: Queensway Parade - Private & Confidential You've received an encrypted message from westminster.gov.uk To view your message

Save and open the attachment (message.html), and follow the instructions. Sign in using the following email address: london.gov.uk

turley.co.uk>

Sent:

15 February 2022 09:56

To:

Subject: RE: Queensway Parade, Westminster

Hi

Yes all is well thank you, hope you're good.

Good to hear! Unfortunately we are still yet to go to committee – we were supposed to be going today in fact, but officers are not settled on their recommendation – siting ongoing concerns around heritage impact and daylight/sunlight, so with the elections/purdah coming up I think it will now slip to the Spring. Happy to have a quick 5 min call to update you more fully.

Director, Head of Central London Planning

Turley

Mobile: 07557 Office: 020 7851

We are a CarbonNeutral® certified company.

We support blended flexible working which means that co-owners will respond to you during their working hours and we appreciate that you will respond during your own working hours.

Our co-owners are contactable in the usual ways and we suggest using mobile numbers in the first instance.

From: [mailto: london.gov.uk]

Sent: 14 February 2022 09:53

To:

Subject: RE: Queensway Parade, Westminster

Hi

Trust all is well.

I've been meaning to get back to you on this for a while now but given the 34.4% offer there isn't much to say other than I am delighted to learn of this development.

Has it gone to Committee as yet?

Thanks

From: < <u>turley.co.uk</u>>

Sent: 01 February 2022 18:10

Subject: Queensway Parade, Westminster

Hi

Hope you're well, it's been a while (again). Just wondering if it's worth us having a quick catch up on Queensway Parade in Westminster – not sure if you are aware but you have probably guessed that it is still under determination (targeting committee this month). We have made some minor design revisions to the scheme (minor reductions/revisions to massing), and we now have just under 35% (34.4 so we can't round up! 11 of the 32 proposed units) affordable housing on site – not sure if this has been shared with you.

Happy to discuss this and get your view/general position on where we are.

Thanks

Sent:

02 February 2022 15:30

To:

RE: Queensway Parade, Westminster

Hi

Subject:

No - I didn't know.

That's a good result for the borough – assume they are some kind of intermediate rent?

[Regulation 12(4)(e)]

Thanks

From:

london.gov.uk>

Sent: 02 February 2022 14:17

To:

london.gov.uk>

Subject: FW: Queensway Parade, Westminster

Hi

Are you aware?

Thanks

From:

< turley.co.uk>

Sent: 01 February 2022 18:10

To:

<u>london.gov.uk</u>>

Subject: Queensway Parade, Westminster

Hi

Hope you're well, it's been a while (again). Just wondering if it's worth us having a quick catch up on Queensway Parade in Westminster – not sure if you are aware but you have probably guessed that it is still under determination (targeting committee this month). We have made some minor design revisions to the scheme (minor reductions/revisions to massing), and we now have just under 35% (34.4 so we can't round up! 11 of the 32 proposed units) affordable housing on site – not sure if this has been shared with you.

Happy to discuss this and get your view/general position on where we are.

Thanks

Director, Head of Central London Planning

Turley

Mobile: 07557 Office: 020 7851

We are a CarbonNeutral® certified company.

1

 Sent:
 20 August 2021 09:38

 To:
 WCC

 Cc:
 Cc:

Subject: RE: Queensway Parade WITHOUT PREJUDICE

Attachments: Knight Frank the-london-office-market-report-q1-2021-8112.pdf

Morning

Just wanted to update you – DS2 asked me to send across the appraisal that showed a PIL of £4.5m which I did yesterday. They correctly pointed out that the profit on the commercial was not calculating properly in Argus. I need to thoroughly check the appraisal but think there will be a deficit of at least £500k with the PIL at this level. This would mean that their offer of £4m is more reasonable based purely on a current day assessment of costs and values.

Happy to discuss and apologies for missing this.

In terms of understanding why they are doing this element of the scheme as offices, I found the attached market report which is optimistic about the medium term future of purpose build modern offices in London and potential for rental growth 2022-25. (page 4)

Thanks

From: WCC < westminster.gov.uk>

Sent: 17 August 2021 14:45

Subject: RE: Queensway Parade

Yep. Will call now

Kind Regards

Area Planning Officer - North Team
Place Shaping and Town Planning - Growth, Planning and Housing

Westminster City Council PO Box 732 Redhill RH1 9FL

Tel: (Please note new number) westminster.qov.uk

[Remander of email chain duplicates above]

09 August 2021 15:25

Sent:

ust 2021 15.25

To:

westminster.gov.uk

Cc:

Appraisal - QWP

Subject: Attachments:

Queensway £4.5 million - No Growth Aplied and Without Prejudice.pdf



As promised, please see attached appraisal which shows the £4.5 million PIL payment as a cost to the appraisal (under miscellaneous fees).

This appraisal shows a reduced payment to Tesco of £745k and also a remodelled cashflow, which assumes the commercial accommodation is sold at PC, and therefore factors in the void/letting period into the lease assumptions (rather than a delay to the sale in the cashflow).

Any questions, please let me know.

Kind regards

Sent: 05 August 2021 09:17

To: Subject:

Re: Queensway

I am here still trying. Just sent him an email.

Sent from my iPhone

On 5 Aug 2021, at 09:14, Section 1. Section 2011 Section 2011
Morning
Did you mange to speak with
I know the meetings been put in our diary, but not 100% sure if we are attending or not?
From:
Sent: 04 August 2021 16:09
To:
Subject: RE: Queensway
– I haven't! Intend to try again shortly.
From:
Sent: 04 August 2021 16:08
To:
Subject: Queensway
Hi
Did you manage to get hold of
Regards

Sent: 05 August 2021 09:16

To: westminster.gov.uk

Subject: Queensway

Good morning

I am trying to reach you by phone.

Thanks

Sent from my iPhone

From: <<a href="#"

To:

Subject: RE: Queensway Parade, Westminster

Morning all, sorry to chase but could you come back to me on your availability for a catch up tomorrow morning? Thanks

turley.co.uk>

Director

Turley

8th Floor Lacon House 84 Theobald's Road LondonWC1X 8NL

Mobile: 07557 Office: 020 7851

We are a CarbonNeutral® certified company.

We are working remotely wherever possible in line with Government guidance. Our co-owners are contactable in the usual ways and we suggest using mobile numbers in the first instance.

We support blended flexible working which means that co-owners will respond to you during their working hours and we appreciate that you will respond during your own working hours.

From: Sent: 03 August 2021 12:51

To: Iondon.gov.uk; Iondon.gov.uk

Subject: Queensway Parade, Westminster

Hello all.

Hope you are all well. I'm just writing with regards to the Queensway Parade application in Westminster. Having spoken to DS2 it seems that a collective meeting between us all, with Westminster in attendance would be the best way forward to go through and hopefully finalise the current payment in lieu discussions.

from WCC is available on Thursday morning this week, would you all be able to be available at this time also? If so I will set up a meeting for say 10am (or whatever suits)

Thanks in advance

Sent: 30 July 2021 13:29

To: Cc:

Subject:

FW: QWP **Attachments:**

Queensway Parade - Affordable housing cascade letter 21072021.pdf; Queensway -

Vacant Possession note (003).pdf

The latest from WCC.

Thanks



WCC < westminster.gov.uk>

Sent: 30 July 2021 12:56

To: london.gov.uk>

Subject: RE: QWP

Hi

The applicant has sent us the attached. Our Affordable Housing Manager generally agrees with their assessment of on-site delivery but has asked them to explore the potential for an RP to buy a floor, with three of those units being intermediate and the rest staying as private but managed by the RP. Waiting for applicants response.

Kind Regards

Area Planning Officer - North Team Place Shaping and Town Planning - Growth, Planning and Housing

Westminster City Council PO Box 732 Redhill RH1 9FL

(Please note new number) westminster.gov.uk

london.gov.uk> From:

Sent: 29 July 2021 16:01

WCC < westminster.gov.uk> Subject: RE: QWP

Any update from your end?

Are you keen on meeting with us and the applicant to discuss?

Thanks



WCC < westminster.gov.uk> From:

Sent: 14 July 2021 13:09

london.gov.uk>

Subject: RE: QWP

Hi

After discussing with our Councillors, we have asked the applicant to look at providing affordable on-site with the £4-4.5 mill the GLA have identified. If it can be satisfactorily demonstrated that this cannot be achieved, we will take the PiL. Happy to discuss further.

Kind Regards

Area Planning Officer - North Team Place Shaping and Town Planning - Growth, Planning and Housing

Westminster City Council PO Box 732 Redhill RH19FL

(Please note new number) westminster.gov.uk

From: london.gov.uk>

Sent: 14 July 2021 12:17

WCC < westminster.gov.uk>

Subject: RE: QWP

Any update on this matter from your side?

We need to get back to DS2.

Thanks

inanks

From: WCC < westminster.gov.uk>

Sent: 06 July 2021 11:46

To: | london.gov.uk>

Subject: RE: QWP

No worries. Can do 2 pm Wednesday afternoon?

Kind Regards

Area Planning Officer - North Team
Place Shaping and Town Planning - Growth, Planning and Housing

Westminster City Council PO Box 732 Redhill RH1 9FL

Tel: (Please note new number)

westminster.gov.uk

From: | Iondon.gov.uk>

Sent: 06 July 2021 11:45

To: westminster.gov.uk>

Subject: RE: QWP

Unfortunately, I have a pre-app from 10-11:30 tomorrow.

From: WCC < westminster.gov.uk>

Sent: 06 July 2021 11:43

Subject: RE: QWP

Hi

Can catch up tomorrow morning. Say 10 am?

Kind Regards

Area Planning Officer - North Team

Place Shaping and Town Planning - Growth, Planning and Housing

Westminster City Council PO Box 732 Redhill RH1 9FL

Tel: (Please note new number) westminster.gov.uk

From: | london.gov.uk>

Sent: 06 July 2021 11:42

To: westminster.gov.uk>

Subject: RE: QWP

- I did and was trying to reach you last week to arrange a chat with us via Microsoft Teams. Could you let me know when you'd be available to do so? Thanks,

From: WCC < westminster.gov.uk>

Sent: 06 July 2021 11:39

To: | london.gov.uk>

Subject: RE: QWP

Hi

Hope you are ell. Dd you have a chat with your viability colleagues? The applicant advises that they have agreed something with them?

Kind Regards

Area Planning Officer - North Team
Place Shaping and Town Planning - Growth, Planning and Housing

Westminster City Council PO Box 732 Redhill RH1 9FL

Tel: (Please note new number)

westminster.gov.uk

4

london.gov.uk>

Sent: 01 July 2021 16:09

To: WCC <

westminster.gov.uk>

Subject: RE: QWP

Hi

I am and trust you are well too.

I'm having a quick meeting with my viability colleagues shortly and will get back to you.

Thanks



From:

WCC <

westminster.gov.uk>

Sent: 01 July 2021 11:14

To:

london.gov.uk>

Subject: FW: QWP

Hi

Hope you are well. See below. Are you able to provide an update on where viability discussions have got to?

Kind Regards

Area Planning Officer - North Team

Place Shaping and Town Planning - Growth, Planning and Housing

Westminster City Council PO Box 732 Redhill RH1 9FL

Tel: (Please note new number) westminster.gov.uk

5

From:
<a href="mailto:turley.co

Subject: QWP

Hi

Hope you're well. Just a quick QWP query – have HE responded to consultation? I note that GLAAS part of HE have, but couldn't see any separate comment.

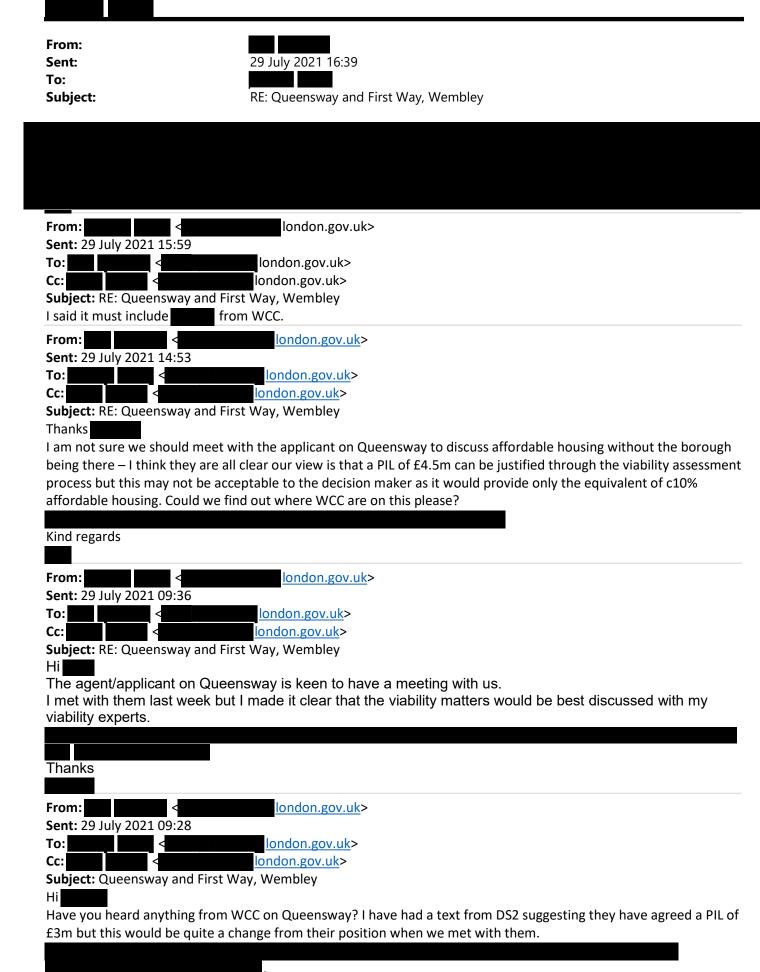
By way of update, you may be aware already but DS2 have been in ongoing discussions with the GLA viability team last week and this week – appears to nearly be resolved but I'm hoping for an update today. Maybe we can catch up quickly tomorrow if I do hear of a conclusion.

Thanks

Director

Turley

8th Floor Lacon House 84 Theobald's Road London WC1X 8NL T 020 7851 M 07557 D 020 7851





GREATERLONDONAUTHORITY

City Hall, The Queen's Walk, London SE1 2AA london.gov.uk

london.gov.uk

Mobile:

Register here to be notified of planning policy consultations or sign up for GLA Planning News Follow us on Twitter <u>@LDN planning</u>

From: turley.co.uk>

28 July 2021 16:30 Sent: To:

Subject: Queensway Parade

Hi

Hope you're well and thanks again for your time last week.

I just wanted to check if so is back as yet and if there is any update? Would be good to catch up again briefly when she is if that's ok.

Thanks

Director

Turley

8th Floor Lacon House 84 Theobald's Road LondonWC1X 8NL Mobile: 07557 Office: 020 7851

We are a CarbonNeutral® certified company.

We are working remotely wherever possible in line with Government guidance. Our co-owners are contactable in the usual ways and we suggest using mobile numbers in the first instance.

We support blended flexible working which means that co-owners will respond to you during their working hours and we appreciate that you will respond during your own working hours.

19 July 2021 17:49

Subject: RE: Queensway Parade, Westminster

Thanks I've just sent the invite – from the applicant/client side will also attend.

Speak to you tomorrow

Thanks

Sent:

To:

Director Turley

8th Floor Lacon House 84 Theobald's Road LondonWC1X 8NL Mobile: 07557 Office: 020 7851

We are a CarbonNeutral® certified company.

We are working remotely wherever possible in line with Government guidance. Our co-owners are contactable in the usual ways and we suggest using mobile numbers in the first instance.

turley.co.uk>

We support blended flexible working which means that co-owners will respond to you during their working hours and we appreciate that you will respond during your own working hours.

From: [mailto: london.gov.uk]

Sent: 19 July 2021 16:01

Subject: RE: Queensway Parade, Westminster

Hi Yes, I do.

Send me a MTeams invite.

Thanks

From: < turley.co.uk>

Sent: 19 July 2021 15:22

To: | london.gov.uk>

Subject: RE: Queensway Parade, Westminster

Hi

Hope you're keeping well. Do you have 15 mins tomorrow for a catch up on where we are with Queensway Parade?

Thanks

Director

Turley

8th Floor Lacon House 84 Theobald's Road LondonWC1X 8NL Mobile: 07557 Office: 020 7851

We are a CarbonNeutral® certified company.

We are working remotely wherever possible in line with Government guidance. Our co-owners are contactable in the usual ways and we suggest using mobile numbers in the first instance.

We support blended flexible working which means that co-owners will respond to you during their working hours and we appreciate that you will respond during your own working hours.

From: [mailto: london.gov.uk]

Sent: 09 June 2021 10:24

To:

Subject: RE: Queensway Parade, Westminster

I have another call at 10:30.

From: turley.co.uk>

Sent: 09 June 2021 10:23

Subject: RE: Queensway Parade, Westminster

Great thanks will call you in 5.

Director

Turley

8th Floor Lacon House 84 Theobald's Road London WC1X 8NL

T 020 7851 M 07557

From: [mailto: london.gov.uk]

Sent: 09 June 2021 10:16

To:

Subject: RE: Queensway Parade, Westminster

Hi

I am, thanks, and trust you are as well.

I am free now for a call.

Senior Strategic Planner, Planning GREATERLONDONAUTHORITY

City Hall, The Queen's Walk, London SE1 2AA

020 7983 | 077

www.london.gov.uk/what-we-do/planning

london.gov.uk

Register here to be notified of planning policy consultations or sign up for GLA Planning News Follow us on Twitter @LDN planning

From: < <u>turley.co.uk</u>>

Sent: 09 June 2021 10:12

To: | Iondon.gov.uk>

Subject: Queensway Parade, Westminster

Morning

Hope you're keeping well. Just checking are you free for 5 mins today just for a catch up on Queensway Parade in Westminster – which is now with the GLA viability team. I'm relatively flexible until 4pm today.

Thanks

Director

Turley

8th Floor Lacon House 84 Theobald's Road London WC1X 8NL

T 020 7851 M 07557 D 020 7851 From: 14 July 2021 09:01
To:

Subject: FW: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing

viability

Morning

Could you please follow up with WCC on our call with them as I think we need to give DS2 some kind of response.

Many thanks

Cc:

From: Sent: 14 July 2021 09:00

To: | ds2.co.uk>; | london.gov.uk> | Cc: | ds2.co.uk>

Subject: RE: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability

Morning

Our position remains the same on the payment to Tesco for the reasons provided.

We will follow up on our call with WCC and get you a response as soon as possible.

Kind regards

From: < ds2.co.uk>

Sent: 13 July 2021 19:05

cc: < ds2.co.uk>

Subject: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability

We understand that following discussions between the GLA and WCC, the GLA remain of the opinion that the Tesco payment should not be included as a cost within the viability assessment.

DS2 have provided a note justifying why the payment should be included which is attached to this email. You will have also seen from previous correspondence that Avison Young have accepted this as a reasonable cost within the viability assessment.

Please can you review and consider the points set out in the note along with the affordable housing contribution of £3m made by the applicant on a without prejudice basis.

If you have any queries please let us know.

Regards

Associate

direct: 020 7004 mobile: 07725

e-mail: ds2.co.uk

From: 06 July 2021 14:28 Sent: To: **Subject: RE: Queensway URGENT** Hi That's fine for me – will you set up the meeting on Teams? Thanks london.gov.uk> Sent: 06 July 2021 11:47 london.gov.uk> To: Subject: FW: Queensway URGENT Finally heard back from He's available tomorrow at 2pm. From: Sent: 01 July 2021 18:04 london.gov.uk> Subject: RE: Queensway URGENT He hasn't responded to my email and I couldn't reach him by phone. london.gov.uk> From: Sent: 01 July 2021 17:25 london.gov.uk> Subject: RE: Queensway URGENT Did you manage to track down the officer at Westminster? Thanks london.gov.uk> From: Sent: 01 July 2021 16:07 london.gov.uk> london.gov.uk> Cc: Subject: RE: Queensway URGENT I am available. From: london.gov.uk> Sent: 01 July 2021 15:59 london.gov.uk>

london.gov.uk>

Subject: Queensway URGENT

Importance: High

Do you have 15 mins for a catch up on this case this afternoon please – we have been negotiating with DS2 on the PIL and have got them to increase the offer from £700k to £1.8m to now £3m.

and I told them this morning we would only accept £4.5m but they claim the borough would accept £2m? even £4.5m is only about 12% AH but probably the very top end of we could defend and even this relies on some optimistic assumptions. I think we need the borough behind us if we are going to push for more – but the applicant does seem very keen to get this to committee ...

Thanks

Development Viability Expert Advisor, Planning

GREATERLONDONAUTHORITY City Hall, The Queen's Walk, London SE1 2AA london.gov.uk

From: WCC < westminster.gov.uk>
Sent: 23 June 2021 09:25
To:

Subject: RE: Queensway Parade

Thanks
Kind Regards

Area Planning Officer - North Team
Place Shaping and Town Planning - Growth, Planning and Housing
Westminster City Council
PO Box 732
Redhill
RH1 9FL

Tel: (Please note new number) westminster.gov.uk

From: | Indon.gov.uk>

Sent: 23 June 2021 09:24

To: WCC < weekstminster.gov.uk>

Subject: RE: Queensway Parade

Hi

Thanks, trust you are well as I am.

Nothing as yet. Regards

From: WCC < westminster.gov.uk>

Sent: 23 June 2021 08:49

Subject: RE: Queensway Parade

Hi

RH19FL

Hope you are well. Has there been any update from DS2 since the email below?

Kind Regards

Area Planning Officer - North Team
Place Shaping and Town Planning - Growth, Planning and Housing
Westminster City Council
PO Box 732
Redhill

Tel: (Please note new number)

westminster.gov.uk

Sent: 14 June 2021 17:33

To: westminster.gov.uk>

Subject: RE: Queensway Parade

Hi

Please see below our latest viability comments, which were sent to DS2.

These comments are based on on-going discussions between my colleagues in the viability team and DS2. Many thanks

You raise a number of points in connection with the assessment of a policy compliant PIL for this site. As you are aware, the Westminster City Plan sets out the basis for assessing payments in lieu of affordable housing at paragraph 9.14. This clearly states that 'They will be equivalent to the uplift in value resulting from the floorspace that would have been provided as affordable housing being delivered as private housing.' BNPP's note of November 2019 sets out the approach to assessing an appropriate PIL. Any previous approach is clearly superseded by this approach in the current City Plan and the LPA assessment of c£15m is therefore considered to be appropriate. We have checked with Avison Young and it is not correct to say that they assessed a policy compliant PIL at £4.41m — this figure was provided to them prior to the adoption of the City Plan and is no longer relevant.

You also refer to the role of the Mayor as decision maker on this application. PPG (Viability) at paragraph 8 sets out that 'The weight to be given to a viability assessment is a matter for the decision maker, having regards to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and the site circumstances including any changes since the plan was bought into force and the transparency of assumptions behind evidence submitted as part of the viability assessment.'

The current proposed PIL of £700k would be the equivalent of less than one half of one on site affordable home (assuming that the affordable units were the same size as the market housing) or c2% affordable housing. The City Plan was adopted in April 2021 and sets a requirement for 35% affordable housing. This will be a relevant consideration for both the Council's Planning Committee and the Mayor alongside the transparency of assumptions behind the evidence submitted as part of the viability assessment process.

The GLA appreciates that there have been extensive discussions between DS2 and Avison Young in respect of the viability of this application. AY's position is broadly supported and it is considered that their assumed values and assumptions for both the existing buildings and the proposed scheme are within a reasonable range.

Both this scheme and Whiteley's will transform this area. We note from the proposals for the Whiteleys development, that the local area will be significantly enhanced from the regeneration of a historic landmark. This is highlighted by the development's website, which states that the development will transform the immediate vicinity, and that 'the shopping mall will be transformed to allow new shops, cafés and restaurants to engage with Queensway' and that 'alongside the plans for the building, Queensway itself will be rethought in order to become more pedestrian friendly and give it a new lease of life as a key London thoroughfare once again'. The development's website also states that 'Westminster City Council has a number of exciting proposals to enhance the Queensway streetscape, Improving the conditions for pedestrians by widening the pavements and reducing street clutter' and that 'the Whiteleys restoration and redevelopment will complement these proposals and our project team is working closely with the Council to make them a reality'.

We also understand that the Whiteleys development will provide a new public courtyard that will be accessed through a retail arcade at the historic entrance to Whiteleys, and that the courtyard will be lined with retail units and restaurants, alongside entrances to leisure units and a new cinema at basement level. As part of a mixed-use

scheme, the development will provide 'an unprecedented amenities programme including London's first Six Senses hotel and spa'.

It is therefore evident that the Whiteleys development will be a placemaking scheme which will be transformational to the local area and that the aspirations for the scheme are to 'attract different types of people at different times of the day, not only to bring Whiteleys itself to life, but also to provide new customers and visitors to the shops along Queensway and in the local area'. We consider that the two proposed schemes will complement each other, and that the subject scheme in particular, should benefit from the positive impacts of the Whiteleys scheme on the local area.

As you know, we queried why the scheme included offices in one of the blocks rather than residential. Whilst we can understand the potential merit in a mixture of uses for the site, we not expect other uses for the site to be significantly less commercially viable compared to the most obvious highest value use on the site as residential. Whilst a residential use will command higher capital values (£2,125psf compared with less than £1,500 psf), if as you say, there is a risk of market absorption due to more residential units in the scheme, we would not also expect to see an alternative lower value commercial use having an adverse impact on cash flow. As the appraisal is currently structured, the timeline for the sale of the proposed lower value office use, a full 12 months after practical completion, reflects a far more pessimistic scenario than we would expect if the block were delivered as residential. Even if it took the full 12 months to sell the units, the appraisal would at least reflect a cashflow during this period, as opposed to the current scenario modelled in the appraisal, where there is no cashflow for the full 12 months after practical completion of the scheme.

We note your comment that the proposed mix and the 'range of uses helps to support local business through increased local spend from the office occupiers in the area and activity throughout the day' and we agree with this sentiment. However, we do not consider that this increased footfall from the office development, as well as the wider transformational impact of the Whiteleys scheme is currently being adequately reflected in the outcome of the viability assessment.

Whilst we note that Avison Young have made adjustments to the retail values to reflect that 'brand new retail would be subject to a premium as tenants will benefit from a brand-new building as opposed to an older one which may require increased maintenance expenditure' we do not consider the proposed appraisal captures the benefits of the increased footfall from both the office element of the scheme as well as the wider Whiteley's scheme and the improvements to the Queensway streetscape, which will create improved conditions for pedestrians by widening of the pavements and reducing street clutter.

While the proposed scheme will complement the Whiteleys scheme, we acknowledge that the existing accommodation may also benefit from the transformational impact of the Whiteleys scheme as well as the wider streetscape improvements. However, due to the age, specification, condition, and overall appearance of the existing accommodation, we do not consider the existing accommodation will be able to benefit from the wider improvements and regeneration, to the same extent that the proposed scheme will.

In terms of the inputs to the Avison Young appraisal, there is also one cost in the appraisals that is not explained – a sum of £3.5m of 'additional development costs'. Can you please provide information to support this allowance as this is obviously impacting significantly on the viability and has not been satisfactorily evidenced. The viability assessment as it stands does not meet the transparency requirements set out in PPG. When this information is received we will be able to provide an updated position on viability.

From: westminster.gov.uk>

Sent: 14 June 2021 17:27

To: | london.gov.uk>

Subject: RE: Queensway Parade

Hi

Hope you are well. Sorry to chase, but have your viability team issued there comments on this one yet? Kind Regards

Area Planning Officer - North Team
Place Shaping and Town Planning - Growth, Planning and Housing

Westminster City Council PO Box 732

Redhill RH1 9FL

Tel: (Please note new number)

westminster.gov.uk

From: WCC

Sent: 09 June 2021 10:03

To: Subject: RE: Queensway Parade

Thanks Will call at 10.30

Kind Regards

Area Planning Officer - North Team

Place Shaping and Town Planning - Growth, Planning and Housing

Westminster City Council

PO Box 732

Redhill

RH1 9FL

Tel: (Please note new number)

westminster.gov.uk

westminster.gov.uk

From: london.gov.uk> Sent: 09 June 2021 10:01 WCC < westminster.gov.uk> Subject: RE: Queensway Parade - anytime before 2pm is fine. Teams or phone, it doesn't matter. Thanks, WCC < westminster.gov.uk> Sent: 09 June 2021 09:48 london.gov.uk> **Subject:** RE: Queensway Parade Yep. Im available after 10.30. You thinking Teams or phone? Kind Regards Area Planning Officer - North Team Place Shaping and Town Planning - Growth, Planning and Housing Westminster City Council PO Box 732 Redhill RH19FL (Please note new number) Tel:

4

london.gov.uk> From: Sent: 09 June 2021 09:38

WCC < westminster.gov.uk>

Subject: RE: Queensway Parade

Good morning

Are you available for a quick call today on this matter?

Thanks

From: WCC < westminster.gov.uk>

Sent: 02 June 2021 15:38

london.gov.uk>

Subject: RE: Queensway Parade

Thanks Kind Regards

Area Planning Officer - North Team

Place Shaping and Town Planning - Growth, Planning and Housing

Westminster City Council

PO Box 732 Redhill RH19FL

(Please note new number) Tel:

westminster.gov.uk

From: london.gov.uk>

Sent: 02 June 2021 14:52

WCC < westminster.gov.uk>

Subject: RE: Queensway Parade

Hi

I am well thanks and hope you are too.

My colleagues in the viability team met with DS2 yesterday and are waiting to hear further from them. I understand that there are one or two queries still to be addressed, which hopefully will be resolved soon. Kind regards

Senior Strategic Planner, Planning

GREATERLONDONAUTHORITY

City Hall, The Queen's Walk, London SE1 2AA

020 7983 | 077 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 080 | 0

london.gov.uk

Register here to be notified of planning policy consultations or sign up for GLA Planning News

Follow us on Twitter @LDN planning

From: westminster.gov.uk>

Sent: 02 June 2021 13:18

To: | london.gov.uk>

Subject: RE: Queensway Parade

Hi

I hope you are well.

Are you able to report back on the GLA's viability review yet?

Kind Regards

Area Planning Officer - North Team

Place Shaping and Town Planning - Growth, Planning and Housing

Westminster City Council

PO Box 732 Redhill RH1 9FL

Tel: (Please note new number)

westminster.gov.uk

From: WCC Sent: 13 May 2021 14:14

To: | london.gov.uk>

Subject: RE: Queensway Parade

Hi

Further to my email below, find attached our most recent correspondence on this development viability for your team to review. This comprises:

- -DS2 letter of 6 May on behalf of the applicant;
- -AY response to DS2's letter, dated 12 May 2021; and
- -An offer to pay a £700k PiL from the applicant despite the schem not being viable. We have rejected this. Kind Regards

Area Planning Officer - North Team

Place Shaping and Town Planning - Growth, Planning and Housing

Westminster City Council

PO Box 732 Redhill

RH19FL

Tel: (Please note new number)

westminster.gov.uk

From: WCC Sent: 07 May 2021 16:27

To: | Iondon.gov.uk>

Subject: RE: Queensway Parade

Thanks

Find attached Avison Youngs (AY's) review and related correspondence. Based on AY's letter of 22 April, I have proposed that the applicant agree a PiL of £1.664 million as this is the mid-point of sensitivity undertaken given concerns we have with comparable retail and residential evidence. This has yet to be agreed.

Let me know if you need anything else.

Kind Regards

RH19FL

Tel:

Area Planning Officer - North Team
Place Shaping and Town Planning - Growth, Planning and Housing
Westminster City Council
PO Box 732
Redhill

(Please note new number)

westminster.gov.uk

From: | Iondon.gov.uk>

Sent: 07 May 2021 12:14

To: westminster.gov.uk>

Subject: RE: Queensway Parade

Hi

I am well thanks and hope the same for you.

Yes we are awaiting your independent review in order to undertake a comprehensive review of the scheme's viability. When will it be finalised?

The viability team normally takes 3 weeks at most to turn around a request for a review.

Regards

From: WCC < westminster.gov.uk>

Sent: 07 May 2021 11:43

To: | london.gov.uk>

Subject: RE: Queensway Parade

Hi

Hope you are well.

Its been some time since we spoke about this scheme. We have largely reached the conclusion of our viability review, which indicates that a PiL of £1.6 million may be payable although the applicant has yet to agree to this. However, I would like the GLA to review the work undertaken as we are going to struggle to convince our committee that this is acceptable, particularly given we have an up to date development plan. Would this be possible and if so, how long would it take?

Kind Regards

Area Planning Officer - North Team
Place Shaping and Town Planning - Growth, Planning and Housing
Westminster City Council
PO Box 732
Redhill
RH1 9FL

From: WCC Sent: 22 February 2021 10:25

To: | london.gov.uk>

Subject: RE: Queensway Parade

Hi

Avison Young are reviewing. By way of update, AY's initial report has indicated that a policy compliant level of affordable housing could be provided on-site. We are currently seeking further info on several inputs.

Kind Regards

Area Planning Officer - North Team
Place Shaping and Town Planning - Growth, Planning and Housing
Westminster City Council

PO Box 732 Redhill RH1 9FL

Tel: (Please note new number)

westminster.gov.uk

From: | Indon.gov.uk>

Sent: 17 February 2021 15:42

To: westminster.gov.uk>

Subject: RE: Queensway Parade

– Who is undertaking the review, if I may ask? Thanks,

From: WCC < westminster.gov.uk>

Sent: 20 January 2021 17:41

To: | Iondon.gov.uk>

Subject: RE: Queensway Parade

Hi

This has yet to be finalised as the applicant has not been forthcoming with info requested. I will forward our review on once we have finished it.

Kind Regards

Area Planning Officer - North Team
Place Shaping and Town Planning - Growth, Planning and Housing
Westminster City Council

PO Box 732 Redhill RH1 9FL

8

From: < <u>london.gov.uk</u>>

Sent: 19 January 2021 11:22

To: westminster.gov.uk>

Subject: Queensway Parade

Dear

Happy New Year and I hope you are well.

Could you kindly forward me a copy of the Council's independent review of the applicant's viability assessment?

Many thanks

Senior Strategic Planner, Planning

GREATERLONDONAUTHORITY

City Hall, The Queen's Walk, London SE1 2AA

020 7983 | 077

www.london.gov.uk/what-we-do/planning

london.gov.uk

Register here to be notified of planning policy consultations or sign up for GLA Planning News Follow us on Twitter @LDN planning

NHS health information and advice about coronavirus can be found at nhs.uk/coronavirus

The Mayor and the GLA stand against racism. Black Lives Matter.

Paul Robinson

From:

Sent: 22 June 2021 11:03

То:

Subject: RE: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability - Without

prejudice

Follow Up Flag: Follow up Flag Status: Flagged



Thanks for your comments.

In respect of the points that you raise in respect of the costs of gaining vacant possession of the Tesco unit, on the basis that the lease is within the Act and the RV is £372,500, the maximum statutory payment would be twice this sum (assuming they have been in occupation for more than 14 years.)

We will now look again at the appraisal for this scheme and get back to you at the beginning of next week. As I mentioned before, is on leave this week.

Kind regards

From: ds2.co.uk>

Sent: 17 June 2021 18:38

To: _____ < ___ london.gov.uk>; ____ < ___ ds2.co.uk>

Cc: Subject: RE: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability - Without prejudice

Thank you for your email.

I have provided a response to each of the points that you have raised in your below email and previous email.

Tesco Premium

We do not agree with you that the £3.5m allowance for the Tesco premium is price paid for the land. The Tesco premium is required to be paid to enable the development proposals to come forward and is a legitimate development cost and one that's been agreed with Avison Young. The RICS Guidance Note Assessing viability in planning under the National Planning Policy Framework 2019 for England dated March 2021 states that RICS Guidance Notes are intended to assist practitioners in applying the governments required approach and should be referenced as appropriate, including the Valuation of Development property, RICS Guidance Note. Page 40/41 of the RICS Guidance Note refers to site-related costs which include the costs in securing vacant possession as being a reasonable development cost.

As set out in our previous email, Tesco's existing lease (within the 1954 act) is for a period until September 2035 and therefore unless the Tesco premium is paid, Tesco do not have to vacate the commercial unit and as such this would prevent the development proposals from coming forward. This is no different to an abnormal and enabling infrastructures costs which are required to be carried out in order to bring forward the development proposals. You have acknowledged in your email that statutory compensation to tenants can be included as cost where there is clear evidence that this payment will be required. As evidenced to Avison Young this payment is required in order for the development proposals to come forward. In the event that Tesco were not being re-provided with the retail unit, the payment would still need to be made. We therefore do not agree with your second point for the reasons sets out above.

The Benchmark Land Value is based upon the Existing Use Value of the Site based upon Avison Young's opinion on the respective values of each of the components. To confirm, and whilst you have not implied it, the Tesco premium does not need to be factored into the Existing Use Value as a cost as it does not prevent the site from continuing to operate in its existing use.

Avison Young have accepted that the Tesco premium is a reasonable cost which should be included in the appraisal. We therefore remain of the opinion, as agreed with Avison Young, that the £3.5m allowance should be included in the appraisal.

You also raised points in your email dated 10th June which we have responded to below.

Policy compliant Payment in Lieu

As previously set out, the Westminster affordable housing payment in lieu note provided by BNP Paribas in November 2019 has not been the subject to specific public consultation. We also understand that a legal opinion has been provided to WCC stating that the 2019 evidence based document is unlawful and should the Council want to rely on the calculation method set out in the BNP Paribas note, it would need to follow the statutory consultation and adoption requirements for a supplementary planning document. We understand WCC are yet to provide their response on this.

In light of the agreed position between DS2 and Avison Young, this is a minor point as the applicant is not arguing that they are providing a policy compliant affordable housing payment.

Proposed Payment in Lieu & City Plan

DS2 and Avison Young have gone through extensive discussions in regards to the viability of the development proposals to reach an agreed position on the viability of the scheme. As set out in the City Plan, the requirement is to deliver at least 35% of all new homes as affordable housing. The City Plan also states that developments which fall short of provision of this requirement will be subject to a viability assessment to demonstrate the maximum amount of affordable housing the scheme can provide. DS2 and Avison Young have established that the scheme is unable to viably provide any affordable housing in line with the requirements of the City Plan.

Avison Young position

We note that you broadly support Avison Young's position and consider that their assumed values and assumptions for both the existing buildings and the proposed scheme are within a reasonable range.

Whiteleys development and impact on the proposed development

We note that you have provided a number of comments in regards to the Whiteleys development and the potential impact this could have on the viability of the proposed development. As set out above, you are broadly in agreement with the position adopted by Avison Young in regard to the value of both the existing buildings and proposed scheme.

The scheme will be subject to a late stage review which will capture any uplift in value when compared to the values assumed at the application stage.

You will have seen from the viability documentations provided that the office and retail values have been discussed thoroughly and that as stated on our previous calls, you are of the opinion that the position arrived at by Avison Young is reasonable in light of the current market conditions and evidence available.

Development Proposals

As set out in our previous response, both WCC and the GLA are highly supportive of a commercial led scheme which brings many benefits including the creation of a number of jobs as well as regenerating the wider Queensway area. It is in the landowner's interest to bring forward the optimum scheme so all land use options have been considered. As previously stated, the site has been subject to previous planning applications with two planning applications being submitted in 2017 for the redevelopment of the site to provide a new development up to six storeys in height, with retail at ground floor and 94 residential units at upper level, including 12 on site affordable homes (the second application for a slightly smaller scheme comprised 79 homes including 9 on site affordable homes). Both applications were withdrawn for several reasons, mainly because a residential led scheme was not commercially viable.

On-site affordable housing

Notwithstanding the agreed viability position with Avison Young and DS2, the applicant has made a commercial decision to make an affordable housing contribution of c. £700,000 on a without prejudice basis.

Based upon our experience on Whiteleys in advising on the disposal of the affordable housing which consists of 14 affordable housing intermediate homes (7 affordable rent & 7 intermediate homes at WWC caps), there was very little interest from RPs and no offer that met the values set out in the viability appraisal. The affordable housing contribution would likely result in a nominal amount of units being provided on-site and therefore it is high unlikely based upon DS2's currently experience that this would be an attractive proposition to an RP.

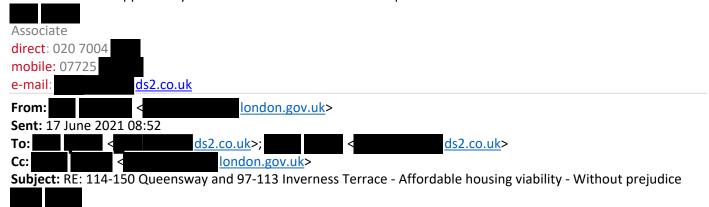
The residential block only provides one core and therefore in the event that low cost rented accommodation was provided, a separate core would have to be provided which would negatively impact the viability of the scheme due to the reduction in NIA. Due to the market values of the units and associated service charge etc.. a separate core would be required by an RP to keep service charges at an affordable level. Furthermore, the inclusion of affordable housing within the building would also negatively impact the market values that could be achieved which would negatively impact the viability of the scheme.

Summary

The purpose of the exercise we are undertaking is to establish the maximum amount of affordable housing that can viably be provided. As set out above and in previous conversations, DS2 and Avison Young have undertaken a

thorough assessment of the viability of the development proposals and have reached an agreement that the scheme is unable to viably support the provision of a financial contribution. It should be noted that the applicant has conceded on several points and adopted Avison Young's viability position which shows a deficit of c. £1.1m. DS2's instruction in accordance with planning policy and professional guidance was to establish the facts and ascertain the maximum affordable housing provision. This has been undertaken and following an extensive period collating and presenting evidence and subsequent dialogues with AY, a position has been finalised. We would therefore respectfully request that the objective viability process is concluded based upon the information provided to date and we ask that you provide a formal response setting out your position on the viability of the scheme. The applicant and statutory authorities, including the GLA, will then need to separately ascertain whether the position reached is acceptable, or if not, what the mitigation might be.

We welcome the opportunity to discuss the above on a call if required.



Thanks for this explanation. The £3.5m allowance to buy in Tesco's lease would seem to be effectively the price paid for the land. PGG does not allow price paid to form the basis of the BLV and so it would not be logical that the price paid would be accepted as a development cost.

In limited circumstances, statutory compensation to tenants can be included as a cost where there is clear evidence that this payment will be required. As the Tesco premises will be re-provided this may not be appropriate here. The arrangements to retain Tesco are purely commercial and do not have any planning benefit and so it is not reasonable that these costs should reduce the ability of this scheme to provide a policy compliant level of affordable housing.

Can you please take account of the other points raised in our email below and ask your client to reconsider their offer in terms of a PIL for this application. An explanation is also required of why affordable housing cannot be provided on site in line with policy.

Kind regards



Subject: RE: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability - Without prejudice LEGALLY PRIVILEGED AND CONFIDENTIAL

Sorry for the delay in getting back to you.

Following your below email it seems that you are broadly in agreement with Avison Young's conclusions and opinion on appraisal inputs however require further information in support of the £3.5m cost labelled 'additional development costs'.

The cost of £3.5m included in the viability appraisal is a premium sum that will be paid to Tesco to vacate the unit to allow the development proposals to progress and then return into a similar configuration as their current demise. Their existing lease was for a period until September 2035 and gaining possession prior could only be done via commercial negotiations. The £3.5 million is effectively a development cost that the applicant will incur to enable vacant possession of the unit in question and therefore allow the development proposals to come forward. A deposit of £350k (or 10%) would be paid when planning is granted and the remaining £3.15m in January 2022.

The £3.5m premium has been evidenced to Avison Young following their review of the draft HoTs at the applicant's office on the 9th December 2021. Due to the commercially sensitive nature of the premium information, this is why the Avison Young report does not reference Tesco nor the supporting information they have seen. The applicant is

unable to share a soft copy of the draft HoTs unless it is agreed that the document remains confidential and the details set out in the draft HoTs is not specifically referenced in any report. Please can you confirm that this is acceptable? I can then send over the draft HoTs

Whilst the applicant acknowledges and accepts the transparency requirements of the PPG, paragraph 21 states:

"In circumstances where it is deemed that specific details of an assessment are commercially sensitive, the information should be aggregated in published viability assessments and executive summaries, and included as part of total costs figures. Where an exemption from publication is sought, the planning authority must be satisfied that the information to be excluded is commercially sensitive. This might include information relating to negotiations, such as ongoing negotiations over land purchase, and information relating to compensation that may be due to individuals, such as right to light

compensation"

The above highlights that information that is commercially sensitive can be excluded, as such compensation payable to individuals.

The draft HoT's should be treated as confidential as the landowner is in advanced negotiations with a number of commercial tenants to surrender their leases. Whilst the discussions are in the advanced stages and moving forward positively. The release of the Tesco HoT's risks the status of these negotiations and positive progress.

Finally, this cost is the only outlay relating to VP the client has requested to be accounted, and allowed to do so under RICS guidance and NPPG as agreed. There are other significant costs which have been borne by the client in securing VP which have not been put forward and are therefore not accounted for in the assessment beyond the Tesco figure.

If you have any queries please let me know. Associate direct: 020 7004 mobile: 07725 e-mail: ds2.co.uk From: london.gov.uk> Sent: 15 June 2021 11:41 To: ds2.co.uk>; london.gov.uk>; ds2.co.uk> Subject: RE: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability - Without prejudice Thanks for the update is on leave next week. Therefore, it would be helpful to hear back from you this week if possible. Kind regards ds2.co.uk> Sent: 14 June 2021 09:58 To: london.gov.uk>; ds2.co.uk> london.gov.uk> Subject: RE: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability - Without prejudice Thank you for your response. Apologies for the delay in acknowledging receipt – I have forwarded this on to my client and will revert back to you shortly. Associate direct: 020 7004 mobile: 07725 e-mail: ds2.co.uk From: ondon.gov.uk> Sent: 10 June 2021 13:08



Subject: RE: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability - Without prejudice

Thanks for this response.

You raise a number of points in connection with the assessment of a policy compliant PIL for this site. As you are aware, the Westminster City Plan sets out the basis for assessing payments in lieu of affordable housing at paragraph 9.14. This clearly states that 'They will be equivalent to the uplift in value resulting from the floorspace that would have been provided as affordable housing being delivered as private housing.' BNPP's note of November 2019 sets out the approach to assessing an appropriate PIL. Any previous approach is clearly superseded by this approach in the current City Plan and the LPA assessment of c£15m is therefore considered to be appropriate. We have checked with Avison Young and it is not correct to say that they assessed a policy compliant PIL at £4.41m — this figure was provided to them prior to the adoption of the City Plan and is no longer relevant.

You also refer to the role of the Mayor as decision maker on this application. PPG (Viability) at paragraph 8 sets out that 'The weight to be given to a viability assessment is a matter for the decision maker, having regards to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and the site circumstances including any changes since the plan was bought into force and the transparency of assumptions behind evidence submitted as part of the viability assessment.'

The current proposed PIL of £700k would be the equivalent of less than one half of one on site affordable home (assuming that the affordable units were the same size as the market housing) or c2% affordable housing. The City Plan was adopted in April 2021 and sets a requirement for 35% affordable housing. This will be a relevant consideration for both the Council's Planning Committee and the Mayor alongside the transparency of assumptions behind the evidence submitted as part of the viability assessment process.

The GLA appreciates that there have been extensive discussions between DS2 and Avison Young in respect of the viability of this application. AY's position is broadly supported and it is considered that their assumed values and assumptions for both the existing buildings and the proposed scheme are within a reasonable range.

Both this scheme and Whiteley's will transform this area. We note from the proposals for the Whiteleys development, that the local area will be significantly enhanced from the regeneration of a historic landmark. This is highlighted by the development's website, which states that the development will transform the immediate vicinity, and that 'the shopping mall will be transformed to allow new shops, cafés and restaurants to engage with Queensway' and that 'alongside the plans for the building, Queensway itself will be rethought in order to become more pedestrian friendly and give it a new lease of life as a key London thoroughfare once again'. The development's website also states that 'Westminster City Council has a number of exciting proposals to enhance the Queensway streetscape, Improving the conditions for pedestrians by widening the pavements and reducing street clutter' and that 'the Whiteleys restoration and redevelopment will complement these proposals and our project team is working closely with the Council to make them a reality'.

We also understand that the Whiteleys development will provide a new public courtyard that will be accessed through a retail arcade at the historic entrance to Whiteleys, and that the courtyard will be lined with retail units and restaurants, alongside entrances to leisure units and a new cinema at basement level. As part of a mixed-use scheme, the development will provide 'an unprecedented amenities programme including London's first Six Senses hotel and spa'.

It is therefore evident that the Whiteleys development will be a placemaking scheme which will be transformational to the local area and that the aspirations for the scheme are to 'attract different types of people at different times of the day, not only to bring Whiteleys itself to life, but also to provide new customers and visitors to the shops along Queensway and in the local area'. We consider that the two proposed schemes will complement each other, and that the subject scheme in particular, should benefit from the positive impacts of the Whiteleys scheme on the local area.

As you know, we queried why the scheme included offices in one of the blocks rather than residential. Whilst we can understand the potential merit in a mixture of uses for the site, we not expect other uses for the site to be significantly less commercially viable compared to the most obvious highest value use on the site as residential. Whilst a residential use will command higher capital values (£2,125psf compared with less than £1,500 psf), if as you say, there is a risk of market absorption due to more residential units in the scheme, we would not also expect to see an alternative lower value commercial use having an adverse impact on cash flow. As the appraisal is currently structured, the timeline for the sale of the proposed lower value office use, a full 12 months after practical completion, reflects a far more pessimistic scenario than we would expect if the block were delivered as residential. Even if it took the full 12 months to sell the units, the appraisal would at least reflect a cashflow during this period,

as opposed to the current scenario modelled in the appraisal, where there is no cashflow for the full 12 months after practical completion of the scheme.

We note your comment that the proposed mix and the 'range of uses helps to support local business through increased local spend from the office occupiers in the area and activity throughout the day' and we agree with this sentiment. However, we do not consider that this increased footfall from the office development, as well as the wider transformational impact of the Whiteleys scheme is currently being adequately reflected in the outcome of the viability assessment.

Whilst we note that Avison Young have made adjustments to the retail values to reflect that 'brand new retail would be subject to a premium as tenants will benefit from a brand-new building as opposed to an older one which may require increased maintenance expenditure' we do not consider the proposed appraisal captures the benefits of the increased footfall from both the office element of the scheme as well as the wider Whiteley's scheme and the improvements to the Queensway streetscape, which will create improved conditions for pedestrians by widening of the pavements and reducing street clutter.

While the proposed scheme will complement the Whiteleys scheme, we acknowledge that the existing accommodation may also benefit from the transformational impact of the Whiteleys scheme as well as the wider streetscape improvements. However, due to the age, specification, condition, and overall appearance of the existing accommodation, we do not consider the existing accommodation will be able to benefit from the wider improvements and regeneration, to the same extent that the proposed scheme will.

In terms of the inputs to the Avison Young appraisal, there is also one cost in the appraisals that is not explained – a sum of £3.5m of 'additional development costs'. Can you please provide information to support this allowance as this is obviously impacting significantly on the viability and has not been satisfactorily evidenced. The viability assessment as it stands does not meet the transparency requirements set out in PPG. When this information is received we will be able to provide an updated position on viability. Kind regards

Subject: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability

Thank you for your time yesterday to talk through the affordable housing viability in relation to 114-150 Queensway and 97-113 Inverness Terrace.

As you are aware, DS2 and Avison Young have gone through a thorough process to establish the maximum amount of affordable housing and additional financial liabilities that the scheme can viably provide in accordance with paragraphs 54 to 57 of the National Planning Policy Framework. This is a process which has taken nearly 10 months to reach an agreed position on, as demonstrated by the detailed documents that you have been issued. Notwithstanding your comments around what the Mayor may or may not sign off, we are asking that you finalise your review based upon the information provided to date and formulate your opinion on what the scheme could viably provide in terms of affordable housing contributions, if any.

Whilst there remains several areas where DS2 and Avison Young are not in complete agreement, the applicant is willing to agree on a without prejudice basis to Avison Young's viability assumptions in order to conclude the viability negotiations with Westminster. The Avison Young appraisal indicates that the scheme is unable to viably support the provision of any affordable housing, with a deficit of c. £1.1m. Notwithstanding this, the applicant has made a commercial decision to provide an affordable housing contribution of £700,000.

Reasoning for a commercial led development

The proposed development will provide 32 residential units and circa 13,400 sqm of commercial accommodation. A query was raised on the call as to why the applicant is bringing forward commercial instead of residential given that, in your opinion, residential creates a better viability position.

The applicant has sought the provision of a commercial led development in line with planning policy, but also from a market absorption perspective in what is a challenging marketplace. The Whiteleys' scheme (which is situated over the road from the subject site) will provide 139 market residential units at near enough the same time as Queensway is due to start marketing the 32 residential units, subject to a satisfactory consent. If the site were to be residential led, it would be a fair assumption to assume c. 70 private apartments would be generated from the upper floors, meaning the total new homes being provided by Whiteleys and Queensway Parade would be over 200. As a result, the applicant is looking to diversify their risk by bringing forward a range of uses suitable for the location.

Further, this range of uses helps to support local business through increased local spend from the office occupiers in the area and activity throughout the day.

The principle of the redevelopment of this town centre site for a commercial-led mix use was strongly supported as part of the GLA's Stage 1 report ref. 2020/6352/S1 dated 5th October 2020, and throughout pre-application engagement and associated GLA pre-application report. This is in line with London Plan Policies SD6, SD7 and E1 and Objective GG2. The site is within Queensway/Westbourne Major Shopping Centre and Policy SD6 of the London Plan seeks to ensure that, beyond the Central Activities Zone (CAZ), centres within the town centre network remain the focus for commercial development and intensification. At the same time, the existing commercial space on site is protected under Westminster policy, while the introduction of new office floorspace is also supported given the Major Shopping Centre designation. The applicant has undertaken several pre-applications with both Westminster and the GLA, both of whom are highly supportive of the principle of a commercial-led scheme.

The site has been subject to previous planning applications with two planning applications being submitted in 2017 for the redevelopment of the site to provide a new development up to six storeys in height, with retail at ground floor and 94 residential units at upper level, including 12 on site affordable homes (the second application for a slightly smaller scheme comprised 79 homes including 9 on site affordable homes). Both applications were withdrawn for several reasons, mainly because a residential led scheme was not commercially viable. It is worth noting upfront, and further to our discussion yesterday, that the applicant recognises the importance of delivering a range of public benefits including affordable housing and has done that on a variety of sites across the capital. However, in this instance, the site-specific circumstances warrant a careful approach to securing obligations in accordance with Regulation 122, and whilst there has been some flexibility on the landowner's part, this flexibility is not infinite and the risks of delivery should not be underestimated.

Level of finance costs in appraisal

The second question raised was in regards to the level of finance costs being assumed in the viability appraisal. As requested, I have attached the proposed scheme live appraisal which reflects Avison Young's position on the viability of the scheme. The scheme has a GDV of c. £225m and total finance costs of £22.7m, which is broadly the equivalent of 10% of GDV which is within the generally accepted range albeit schemes will differ on a site by site basis dependent on the scale of development, mix of uses, level of pre-sale / letting and so on.

The finance costs are driven in part due to the high land value (Avison Young assume a fixed site value of £42.29m based upon the EUV) of the scheme and also the approach to valuing the commercial component of the scheme. Avison Young have assumed that 50% of the office component would be pre-let with the remaining 50% being brought forward speculatively. The yield attributed to the office component is reflective of a fully let asset and therefore a 12 month average letting void has been assumed with the asset being sold after this period. If the average letting period was removed, or reduced, the yield would have to be adjusted appropriately to reflect the fact that the building would not be fully let, or close to fully let at the point of sale.

Due to the way in which the office component is valued, this in turn generates relatively high finance costs when compared to residential led schemes where there is the benefit of cashflow and smaller asset values. This is not uncommon, with a prime example being 5 Kingdom Street which you will be aware of. The viability appraisal appended to the GLA Viability Report indicates finance costs in excess of 10% of GDV. Whilst every scheme should be assessed on its own merits, this does support the approach and level of finance costs assumed in the Avison Young proposed scheme appraisal.

Whilst we were not involved in the viability discussions on the Whiteleys' scheme, we are aware that the finance costs as a percentage of GDV for this scheme was in excess of 10% due to the complicated nature of the scheme. This was signed off by the Council's assessors Avison Young and indeed the GLA.

It should be noted that the applicant has already made a significant number of concessions in reaching this position with Avison Young. As you will be aware through reading through the documentation that has been sent over, the applicant remains of the opinion that Avison Young are underestimating the value of the existing site. Nevertheless, the applicant has agreed to take forward the viability discussions based upon Avison Young's position on the viability of the scheme.

Policy compliant affordable housing payment

It was discussed on the call that the potential range in contribution is from £0 to £15m. Notwithstanding the agreed viability position, which indicates the scheme is unable to viably support an affordable housing contribution. The potential range in contribution is from £0 up to £4,414,080 which is a policy compliant payment as calculated by Avison Young in their report dated December 2020. This is on the Council's Interim Guidance Note on Affordable Housing 2013, which indicates the development proposals generate a requirement for 880 sqm of on-site affordable housing. As a reminder, the Avison Young position was c. £1.1m in deficit. The applicant has offered £700k in PiL contribution, which reflects a movement of £1.8m from Avison Youngs position.

The £15m figure is based upon Westminster's affordable housing payment in lieu note which was provided by BNP Paribas in November 2019. The note formed part of the early stage evidence base to the City Plan examination (Local Plan eventually adopted April 2021), and has not been the subject to specific public consultation and therefore no statutory weight should be applied to this. No interim statement or further guidance on the application of the Local Plan and calculation of the Payment in Lieu has been published by the City Council, and we understand the principle of using the 2019 evidence base document has been advised to Westminster as being unlawful. The Westminster City Plan refers to the value of the payment being set out in the forthcoming Planning Obligations and Affordable Housing Supplementary Planning Document, which at the time of this writing this email has not yet been released for consultation.

On the call you also raised the opportunity to combine the affordable housing offer at Whiteleys with Queensway Parade. This is not possible as, 1) Whiteleys is now owned by a JV consortium, meaning the applicant of Queensway Parade does not have total control over Whiteleys and 2) the construction contracts for these packages (shell and core and fit out) have been placed, meaning any change to the building will come with significant cost and delays. It is understood that with the exception of the finance cost query and reasoning as to why commercial is being brought forward instead of residential, all other matters are agreed notwithstanding as identified above that whilst the applicant has accepted the Council's position as advised by Avison Young, we were not fully in agreement with their approach to a number of the inputs.

Once you have considered the information contained in this email we would welcome the opportunity to discuss this further with you on a call at your earliest convenience.

Regards

Associate

direct: 020 7004 mobile: 07725

e-mail: <u>ds2.co.uk</u>

From: Sent: 10 June 2021 15:03 To: Subject: RE: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability - Without prejudice Yes – I think we should. I have sent to Avison Young to keep them in the loop as they are referenced in the email and they were helpful on the call yesterday. Kind regards london.gov.uk> Sent: 10 June 2021 13:19 london.gov.uk> Subject: RE: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability - Without prejudice Do we share with WCC? london.gov.uk> From: Sent: 10 June 2021 13:08 london.gov.uk> Subject: FW: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability - Without prejudice fyi From: **Sent:** 10 June 2021 13:08 ds2.co.uk>; ds2.co.uk> london.gov.uk>

Thanks for this response.

You raise a number of points in connection with the assessment of a policy compliant PIL for this site.

[Remainder of email chain duplicates above]

Subject: RE: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability - Without prejudice

From:

Sent: 09 June 2021 19:52

To: Cc:

Subject:

RE: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability

This is fine. From my conversation with at WCC. It seems that internally they are raising similar questions in relation to Whiteleys' impact.

I don't recall saying an actual calculation, just the figure mentioned in an email.

Thanks

From: london.gov.uk>

Sent: 09 June 2021 19:09

london.gov.uk> To: london.gov.uk> Cc:

Subject: 114-150 Queensway and 97-113 Inverness Terrace - Affordable housing viability

– please see below for draft response to DS2 for your comments.

We have looked at the modelling again and even with our most optimistic assumptions the scheme could only support a PIL of c£3.5m – bearing in mind the LPA's position we have kept the response at a high level.

Do you have the calculation of the PIL from the Council please – I think I have seen it but couldn't find the email.

Kind regards

Without prejudice

Thanks for this response.

You raise a number of points in connection with the assessment of a policy compliant PIL for this site.

As you are aware, the Westminster City Plan sets out the basis for assessing payments in lieu of affordable housing at paragraph 9.14. This clearly states that 'They will be equivalent to the uplift in value resulting from the floorspace that would have been provided as affordable housing being delivered as private housing. 'BNPP's note of November 2019 sets out the approach to assessing an appropriate PIL.

The previous approach is clearly superseded by this approach in the current City Plan and the LPA assessment of c£15m is therefore considered to be appropriate. We have checked with Avison Young and it is not correct to say that they assessed a policy compliant PIL at £4.41m – this was figure provided to them prior to the adoption of the City Plan and is no longer relevant.

PPG (Viability) at paragraph 8 sets out that 'The weight to be given to a viability assessment is a matter for the decision maker, having regards to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and the site circumstances including any changes since the plan was bought into force and the transparency of assumptions behind evidence submitted as part of the viability

The current proposed PIL of £700k would be the equivalent of less than one half of one on site affordable home (assuming that the affordable units were the same size as the market housing) or c2% affordable housing. The City Plan was adopted in April 2021 and sets a requirement for 35% affordable housing. This will be a relevant consideration for both the Council's Planning Committee and the Mayor alongside the transparency of assumptions behind the evidence submitted as part of the viability assessment process.

The GLA appreciates that there have been extensive discussions between DS2 and Avison Young in respect of the viability of this application. Ay's position is broadly supported and it is considered that their assumed values and assumptions for both the existing buildings and the proposed scheme are appropriate.

Both this scheme and Whiteley's will transform this area. We note from the proposals for the Whiteleys development, that the local area will be significantly enhanced from the regeneration of a historic landmark. This is highlighted by the development's website, which states that the development will transform the immediate vicinity, and that "the shopping mall will be transformed to allow new shops, cafés and restaurants to engage with

Queensway" and that "alongside the plans for the building, Queensway itself will be rethought in order to become more pedestrian friendly and give it a new lease of life as a key London thoroughfare once again". The development's website also states that "Westminster City Council has a number of exciting proposals to enhance the Queensway streetscape, Improving the conditions for pedestrians by widening the pavements and reducing street clutter" and that "the Whiteleys restoration and redevelopment will complement these proposals and our project team is working closely with the Council to make them a reality".

We also understand that the Whiteleys development will provide a new public courtyard that will be accessed through a retail arcade at the historic entrance to Whiteleys, and that the courtyard will be lined with retail units and restaurants, alongside entrances to leisure units and a new cinema at basement level. As part of a mixed-use scheme, the development will provide "an unprecedented amenities programme including London's first Six Senses hotel and spa".

It is therefore evident that the Whiteleys development will be a placemaking scheme which will be transformational to the local area and that the aspirations for the scheme are to "attract different types of people at different times of the day, not only to bring Whiteleys itself to life, but also to provide new customers and visitors to the shops along Queensway and in the local area". We consider that the two proposed schemes will compliment each other, and that the subject scheme in particular, should benefit from the positive impacts of the Whiteleys scheme on the local area.

As you know, we queried why the scheme included offices in one of the blocks rather than residential. Whilst we can understand the potential merit in a mixture of uses for the site, we do not expect other uses for the site to be significantly less commercially viable compared to the most obvious highest value use on the site as residential. Whilst a residential use will command higher capital values (£2,125psf compared with less than £1,500 psf), if as you say, there is a risk of market absorption due to more residential units in the scheme, we would not also expect to see an alternative lower value commercial use having an adverse impact on cash flow.

As the appraisal is currently structured, the timeline for the sale of the proposed lower value office use, a full 12 months after practical completion, reflects a far more pessimistic scenario than we would expect if the block were delivered as residential. Even if it took the full 12 months to sell the units, the appraisal would at least reflect a cashflow during this period, as opposed to the current scenario modelled in the appraisal, where there is no cashflow for the full 12 months after practical completion of the scheme.

We note your comment that the proposed mix and the "range of uses helps to support local business through increased local spend from the office occupiers in the area and activity throughout the day" and we agree with this sentiment. However, we do not consider that this increased footfall from the office development, as well as the wider transformational impact of the Whiteleys scheme is currently being adequately reflected in the proposed appraisal.

Whilst we note that Avison Young have made adjustments to the retail values to reflect that "brand new retail would be subject to a premium as tenants will benefit from a brand-new building as opposed to an older one which may require increased maintenance expenditure" we do not consider the proposed appraisal captures the benefits of the increased footfall from both the office element of the scheme as well as the wider Whitely's scheme and the improvements to the Queensway streetscape, which will create improved conditions for pedestrians by widening of the pavements and reducing street clutter.

While the proposed scheme will compliment the Whiteleys scheme, we acknowledge that the existing accommodation may also benefit from the transformational impact of the Whiteleys scheme as well as the wider streetscape improvements. However, due to the age, specification, condition, and overall appearance of the existing accommodation, we do not consider the existing accommodation will be able to benefit from the wider improvements and regeneration, to the same extent that the proposed scheme will.

There is also one cost in the appraisals that is not explained – a sum of £3.5m of 'additional development costs'. Can you please provide information to support this allowance as this is obviously impacting significantly on the viability and has not been satisfactorily evidenced. The viability assessment as it stands does not meet the transparency requirements set out in PPG. When this information is received we will be able to provide an updated position on viability.

Kind regards

Development Viability Expert Advisor, Planning

GREATER**LONDON**AUTHORITY
City Hall, The Queen's Walk, London SE1 2AA

From: Sent:

09 June 2021 10:24

To:

Subject:

RE: Queensway Parade, Westminster

I have another call at 10:30.

From:

turley.co.uk>

Sent: 09 June 2021 10:23

Subject: RE: Queensway Parade, Westminster

Great thanks will call you in 5.

Director

Turley

8th Floor Lacon House 84 Theobald's Road London WC1X 8NL T 020 7851

From: [mailto: london.gov.uk]

Sent: 09 June 2021 10:16

To:

Subject: RE: Queensway Parade, Westminster

Hi

I am, thanks, and trust you are as well.

I am free now for a call.



Senior Strategic Planner, Planning
GREATERLONDONAUTHORITY
City Hall, The Queen's Walk, London SE1 2AA
020 7983

www.london.gov.uk/what-we-do/planning

london.gov.uk

Register here to be notified of planning policy consultations or sign up for GLA Planning News

Follow us on Twitter @LDN planning

From: < turley.co.uk>

Sent: 09 June 2021 10:12

To: | london.gov.uk>

Subject: Queensway Parade, Westminster

Morning

Hope you're keeping well. Just checking are you free for 5 mins today just for a catch up on Queensway Parade in Westminster – which is now with the GLA viability team. I'm relatively flexible until 4pm today.

Thanks

Director

Turley

8th Floor Lacon House 84 Theobald's Road London WC1X 8NL T 020 7851

T 020 7851 M 07557 D 020 7851 From:
Sent: 18 May 2021 15:56
To: RE: Queensway Parade

Thanks for this

I've now been through all of the information you have sent, and to be honest, I am still forming my opinion on this as its quite a complicated one.

I am scheduled to speak to DS2 tomorrow at 2pm, I intend to hear them out, but don't intend to get drawn into a position.

Do you know when it is scheduled for committee? As there appears to be some urgency from DS2.

appreciate you are caught up with Westferry over the next few days, but it would be good at some point to catch up with you on this when you can.

Cheers

From:	london.gov.uk>	
Sent: 13 May 2021 14:16		
To:	london.gov.uk>;	london.gov.uk>
Subject: FW: Queensway Para	ade	
Further information just in fro	om WCC. Thanks,	
From: WCC	westminster.gov.uk>	
Sent: 13 May 2021 14:14		

Sent: 13 May 2021 14:14

To: | london.gov.uk>

Subject: RE: Queensway Parade

Hi **T**

Further to my email below, find attached our most recent correspondence on this development viability for your team to review. This comprises:

[Remainder of email chain duplicates above]

WCC < westminster.gov.uk> From: 11 May 2021 12:10 Sent: To: Cc:

RE: QWP - WITHOUT PREJUDICE Subject:

Attachments: ev_gen_004_payments_in_lieu_approach_november_2019.pdf

Thank you for your email.

I have asked for AY's views on DS2's most recent letter and will report back once we have received them.

I can also confirm that I sent this off to the GLA to consider on Friday.

However, the £700k offer is unacceptable given the advice we have received thus far.

Furthermore, and whilst disagrees, our Payment in Lieu calculations have changed and are based on the formula in the attached note from BNP Paribas. This formula indicates that a PiL of £15,140,608.00 is appropriate. will contend that it has not been the subject to of public consultation etc (although nor was the Interim Note) it was examined at the recent City Plan EiP and therefore attracts great weight as far as the City Council are concerned.

I also note that you have considered only the uplift in residential floorspace proposed when formulating your offer. As you are aware, this approach was superseded quite some time ago at Westminster.

Kind Regards

Area Planning Officer - North Team Place Shaping and Town Planning - Growth, Planning and Housing Westminster City Council PO Box 732 Redhill RH19FL Tel: (Please note new number)

westminster.gov.uk

finchatton.com> Sent: 11 May 2021 11:43 To: WCC < westminster.gov.uk> Cc: turley.co.uk>; Subject: QWP - WITHOUT PREJUDICE

WITHOUT PREJUDICE

Dear

Following on from our discussion and subsequent letter dated Friday the 30th, I write in connection with a Payment in Lieu offer (PiL).

As set out in our letter, whilst we agree that sensitivity analysis should be provided in accordance with RICS Guidance, we disagree with the sensitivity AY have provided as their concerns around lack of evidence and condition of the existing building is already reflected in their appraisal through the removal of a landowner premium. We also disagree with a number of assumptions made within their report, which concludes the scheme is in deficit of c. £1.1m. Therefore, indicating the scheme is unable to viably provide any affordable housing.

However, to expediate reaching an agreement the client has authorised a PiL Offer of £700k. This offer is based on the following logic:

Comparison of the Existing and Proposed Residential Component.

- 1. The existing site contains 27 private residential apartments.
- 2. The proposed scheme is rationalising these apartments in to a single purpose built block and delivering 32 apartments, meaning the net gain in apartments is five.
- 3. In terms of area:
 - a. The proposed residential component Gross Internal Area is 926 sqm above the existing 27 apartments.
 - b. The increase in total Net Internal Area (within the apartments) is only 91 sqm. This modest increase is due to the existing building having little to no internal circulation space, with the majority of units accessed from external walk ways.

Payment in Lieu Workings.

- 1. A policy compliant payment of c. £4.4m is based upon the requirement to provide 11 units (880 sqm / 80 sqm av. unit size).
- 2. This results in a cost per unit of £400,000.
- 3. Applying 35% to the additional 5 apartments equates to 1.75 units.
- 4. Taking this approach would result in a payment of £700,000 (ie. 1.75 x £400,000).
- 5. The PiL Offer is proposed as providing affordable housing on site is not viable.

We will separately come back to you on your email from Friday in relation to the justification for this scheme going through the viability tested route.

I would be grateful if you could confirm receipt of the above and also confirm if the files have been sent to the GLA, as per our discussion on Friday.

Finally, I acknowledge that the offer is below the c. £1.6m you arrived at by taking the mid-point on the AY sensitivity. However, we strongly believe that the sensitivity provided is not fit for purpose as set out above and the 'mid-point' is the conclusion of the report, which illustrates that the scheme is in deficit of c. £1.1m. To reiterate, we are committed to working with you on this important mixed use development scheme and welcome a discussion when you are next available.

Kind regards

Senior Development Manager

Finchatton

+44 (0) 79 2020

finchatton.com

finchatton.com | 20gs.com

Jubilee House, 2 Jubilee Place, London SW3 3TQ <u>Instagram | Facebook | Twitter | LinkedIn</u> From: 04 March 2021 18:21
To: Cc: Characterists (CA) 2021 14:4 15

Subject: GLA ref 6352: 114-150 QUEENSWAY & 97-113 INVERNESS TERRACE, LONDON, W2 **Attachments:** 6352 - 114-150 Queensway and 97-113 Inverness Terrace - GLA Viability Comments

- draft clean 04.03.21.docx

Hi

Please find attached our draft viability comments on this application.

I don't think the borough's review has been sent through yet but subject to any comments you might have, it would be fine to send these out.

Kind regards

Development Viability (Expert) Advisor

GREATER LONDON AUTHORITY | 4th Floor, City Hall, The Queen's Walk, London SE1 2AA

Tel: 020 7983 4665 Email: london.gov.uk | Web: www.london.gov.uk

Mobile:

From: 22 February 2021 10:27
To: WCC

RE: Queensway Parade

Hi

Subject:

Many thanks for the update.

On-site provision sounds good.

Regards

From: WCC < westminster.gov.uk>

Sent: 22 February 2021 10:25

To: | Iondon.gov.uk>

Subject: RE: Queensway Parade

Hi

Avison Young are reviewing. By way of update, AY's initial report has indicated that a policy compliant level of affordable housing could be provided on-site. We are currently seeking further info on several inputs.

[Remainder of email chain duplicates above]

From:

Sent:

20 November 2020 16:44

To:

Cc:

Subject:

RE: Queensway Parade

Ok thanks for the update

Hopefully WCC's advisers will be reporting shortly, but will be able to advise on their progress.

In the meantime if there are any other queries just let me know. For your information we've separately responded to TfL's comments via WCC.

Regards

Turley

Director

8th Floor Lacon House 84 Theobald's Road London WC1X 8NL T 020 7851 M 07557 D 020 7851

We are a CarbonNeutral® certified company.

We are working remotely wherever possible in line with Government guidance. Our co-owners are contactable in the usual ways and we suggest using mobile numbers in the first instance.

We support blended flexible working. This means that my emails are actioned during the hours that I work. I also understand that you will respond during the hours that you work.

turley.co.uk

From: [mailto: london.gov.uk]

Sent: 20 November 2020 16:24

To: WCC; WCC; Subject: RE: Queensway Parade

Many thanks for the updated energy information.

I have asked my colleagues in the Energy team to provide comments, which should be ready in a week or so.

On viability, we are awaiting Westminster's independent review before we begin our detailed assessment. Kind regards

Senior Strategic Planner, Planning

GREATERLONDON AUTHORITY City Hall, The Queen's Walk, London SE1 2AA 020 7983 | 077 www.london.gov.uk/what-we-do/planning london.gov.uk Register here to be notified of planning policy consultations or sign up for GLA Planning News Follow us on Twitter @LDN planning turley.co.uk> From: Sent: 19 November 2020 17:15 london.gov.uk> To: westminster.gov.uk>; turley.co.uk> WCC < Subject: RE: Queensway Parade Dear Please see attached our response to the comments raised by your energy colleagues relating to Queensway Parade, and further relevant information as required. I trust this covers everything however do let us know if your colleagues have any further comments or require any further information. Can I separately check how the viability review process is proceeding? Regards Director

Turley

8th Floor Lacon House 84 Theobald's Road London WC1X 8NL

T 020 7851 M 07557 D 020 7851

From: [mailto: london.gov.uk]

Sent: 23 September 2020 10:26

To:

Subject: Queensway Parade

Dear

Attached, please find GLA's detailed energy comments for this application.

Please use the spreadsheet when responding.

Kind regards

From:	Greater London Authority <planningsupport@london.gov.uk></planningsupport@london.gov.uk>
Sent:	07 October 2020 09:54
To:	
Subject:	Report for 114 - 116 Queensway
Attachments:	2020-6352 S1 LETTER AND REPORT.pdf
Dear All,	
Dear All,	
Please find attached the report re	elating to 2020/6352/S1, 114 - 116 Queensway in the London Borough of
Westminster.	
Please disregard my last email as	it does not include the report.
Kind regards,	
Killu legalus,	
Planning Support Team Greater L	ondon Authority
3	•

From: Sent: To: Subject: Attachments:	06 October 2020 14:49 FW: Report for 114 - 116 Queensway 20206352 s1 letter and report.pdf	
Hi		
The Stage I report is attached.		
Many thanks		
Senior Strategic Planner, Pla GREATERLONDONAUTHOR City Hall, The Queen's Walk, L 020 7983 077	ITY	
www.london.gov.uk/what-we	•	
Register here to be notified of planning policy consultations or sign up for GLA Planning News		
Follow us on Twitter @LDN_planning		
From: Greater London Authority <planningsupport@london.gov.uk> Sent: 06 October 2020 14:25 To: Indian Indi</planningsupport@london.gov.uk>		
Dear All ,		
Please find attached the report relating to 2020/6352/S1, 114 - 116 Queensway in the London Borough of Westminster.		
Kind regards,		
Planning Support Team Greater London Authority		

From:

turley.co.uk>

Sent: To: 06 October 2020 14:32

Subject:

RE: Report for 114 - 116 Queensway

Hi

Hope you're well – are you able to share the Stage 1 report that is mentioned in the letter just received from GLA admin?

Thanks

Director

Turley

8th Floor Lacon House 84 Theobald's Road London WC1X 8NL T 020 7851

T 020 7851 M 07557 D 020 7851

All Turley teams are now remote working wherever possible in line with Government guidance.

Our co-owners are contactable in the usual ways and we suggest using mobile numbers in the first instance. We are doing all we can to maintain client service during this challenging time.

turley.co.uk

From: Greater London Authority [mailto:planningsupport@london.gov.uk]

Sent: 06 October 2020 14:25

To:

Subject: Report for 114 - 116 Queensway

Dear All,

Please find attached the report relating to 2020/6352/S1, 114 - 116 Queensway in the London Borough of Westminster.

Kind regards,

Planning Support Team Greater London Authority

[ref:a0i4J000002SINeQAO:ref]



From:

28 September 2020 14:33

Sent: To:

Subject: RE: 114-116 Queensway 6352 **Attachments:** 2020-6352 comments).docx

Hi

Minor comments attached – thanks!

Sent: 28 September 2020 12:02

To: | Iondon.gov.uk>

Subject: RE: 114-116 Queensway 6352

Hi

Draft report is attached.

Thanks

From: | london.gov.uk>

Sent: 28 September 2020 11:48

To: | london.gov.uk>

Subject: 114-116 Queensway 6352

Hi

I hope you had a good weekend?

I'll be clearing the above report for you this week, please could you send me a copy on email?

Many thanks

Team Leader, Development Management

GREATERLONDONAUTHORITY

City Hall, The Queen's Walk, London SE1 2AA

020 7983

07743

london.gov.uk

london.gov.uk

From: Viability Fees

Sent: 25 September 2020 15:43

To: Subject:

RE: Queensway Parade

Thanks for your referral

Regards,

Research & Monitoring Officer Planning (Viability) Team GREATER LONDON AUTHORITY

T:

From: | Indon.gov.uk>

Sent: 23 September 2020 16:15

To: Viability Fees <ViabilityFees@london.gov.uk>

Subject: Queensway Parade

Dear all

Please see details of Stage I application below.

Many thanks

Case number	2020/6352
Site name	Queeensway Parade
Address	114 - 150 Queensway & 97-113 Inverness Terrace
Local Planning Authority	Westminster
Scheme description Please include details on the number of residential units proposed.	Demolition of the existing building on site and replacement with two buildings ranging in height up to seven storeys with a basement below, providing 32 residential units, of 2, 214 sq.m of A1/A3 and 11,187 sq.m. of office.
Proposed level of affordable housing % and summary of tenure split.	0%
Application stage (Pre-App, Stage 1, Stage 2, Stage 3)	Stage I
Date for viability comments This should usually be 3 weeks from the date of referral.	14/October/2020
Advice required and location of documents - Please copy and paste direct hyperlink to folder location	On Arcus, FVA prepared by DS2.
What viability fee applies?: VTR: £10k Utility Site: £5k FTR: £0 Referred to GLA before 1/2/2020: N/A	VTR - £10k

tfl.gov.uk> From: 23 September 2020 14:49 Sent: To: RE: 20/04934/FULL 114 - 116 Queensway Subject: **Attachments:** TfL Stage 1 Comments - 2020-6352-S1.docx Dear Please see TfL's stage 1 comments attached. Kind regards, Area Planner | South Area Team | City Planning T: 020 7126 (ext. | M: +44 7894 710931 | E: tfl.gov.uk 9th Floor, 5 Endeavour Square, Stratford, London E20 1JN From: london.gov.uk> **Sent:** 07 September 2020 12:37 tfl.gov.uk> Subject: RE: 20/04934/FULL 114 - 116 Queensway Hi I am well thanks, hope the same for you. Anytime around 23 September is fine. Many thanks From: tfl.gov.uk> **Sent:** 07 September 2020 11:58 london.gov.uk> Subject: FW: 20/04934/FULL 114 - 116 Queensway Hope you're well and had a good weekend. Just letting you know that I will be the TfL case officer for this referable and would like to know when you need my comments by? Kind regards, Area Planner | South Area Team | City Planning T: 020 7126 (ext. | M: +44 7894 710931 | E: tfl.gov.uk 9th Floor, 5 Endeavour Square, Stratford, London E20 1JN tfl.gov.uk> Sent: 06 September 2020 11:08 tfl.gov.uk> **Subject:** RE: 20/04934/FULL 114 - 116 Queensway thank you that's fine. Hopefully it's fairly straightforward, but let me know once you've had an initial look and let me know if you think it will be problematic. Thanks!

1

- TfL Spatial Planning

M: 07903

tfl.gov.uk> Sent: 03 September 2020 10:31 tfl.gov.uk> **Subject:** RE: 20/04934/FULL 114 - 116 Queensway I think I may have capacity for this as non-refs have been quiet. I wouldn't be able to start on it until next week however as I'm training a student, is that okay? Kind regards, Area Planner | South Area Team | City Planning T: 020 7126 | (ext. | M: +44 7894 710931 | E: tfl.gov.uk 9th Floor, 5 Endeavour Square, Stratford, London E20 1JN From: tfl.gov.uk> Sent: 02 September 2020 12:05 To: tfl.gov.uk> **Subject:** FW: 20/04934/FULL 114 - 116 Queensway hope all well with you? How are you fixed workwise? I have another WCC ref here to allocate, would be helpful if you could take on but please say if you've already got plenty to do and I will find some one else. **Thanks** - TfL Spatial Planning M: 07903 From: Spatial Planning <SpatialPlanning@tfl.gov.uk> **Sent:** 02 September 2020 11:25 tfl.gov.uk> **Subject:** FW: 20/04934/FULL 114 - 116 Queensway Thanks.

From: Greater London Authority <planningsupport@london.gov.uk>

Sent: 01 September 2020 14:54

To: Spatial Planning < Subject: 20/04934/FULL 114 - 116 Queensway



Town & Country Planning Act 1990 (as amended); Greater London Authority Act 1999 & 2007; Town & Country Planning (Mayor of London) Order 2008.

Site name: 114 - 116 Queensway

Address: 114 - 116 Queensway, London,

Planning Authority: Westminster GLA case number: 2020/6352/S1

Local planning authority reference: 20/04934/FULL

Thank you for consulting the Mayor of London in respect of the above application of potential strategic importance, which your Authority validated.

Under Article 4(2) of the above Order the Mayor has six weeks from the date of validation by the GLA to provide a statement setting out whether he considers the application complies with his London Plan and his reasons for taking that view.

I hereby give notice that your letter was received on 19/08/2020 and validated on 21/08/2020, therefore the six week period will terminate on **02/10/2020**.

The GLA Case Officer is who can be reached on london.gov.uk

Regards

Planning Support

Greater London Authority