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# Matter 10

Delivery and Monitoring

Ealing Local Plan

Statement prepared by  
Quod on behalf of  
Berkeley Homes

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10<sup>TH</sup> JULY 2025

# Matter 10: Delivery and Monitoring

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- 1.1 On behalf of Berkeley Homes, Quod submits a hearing statement in respect of Matter 10 (Delivery and Monitoring).
- 1.2 Our hearing statement responds to EX16 Matters, Issues and Questions (MIQs) issued by the Inspectors on 8<sup>th</sup> April 2025, and the Council's response to IQ14-16 (EX3) dated 10<sup>th</sup> January 2025. This submission is also cognisant of the Council's Minor Modifications (S24), and the matters discussed during the Block 1 Hearing sessions held in June 2025.
- 1.3 Berkeley Homes is the applicant for The Green Quarter, one of the borough's largest regeneration mixed use housing schemes comprising c.8,100 homes and c.17,400 sqm of commercial and community floorspace and extensive areas open space and public realm across the whole site (Phase 1-9). Our client received a resolution to grant planning permission for a revised masterplan (Phase 4-9) in November 2024 and is working towards engrossment of the legal agreement.
- 1.4 Our client submitted representations at Regulation 18 and 19 stage of the review and continues to be engaged at Regulation 22 stage (the 'Plan').

## **Issue – Whether the Plan is effective in terms of delivery of its proposals and arrangements for monitoring.**

### **Q1 – Does the Plan set out the contributions expected from development and is it in accordance with Paragraph 34 of the NPPF?**

- 1.5 The Infrastructure Delivery Plan: Part One (EB83) and Infrastructure Delivery Schedule – Part Two (EB84) identify infrastructure required to support planned growth in line with the Local Plan's spatial strategy.
- 1.6 The documents are intended to guide developer contributions<sup>1</sup>, inform development management decisions, and also underpin the draft Community Infrastructure Levy (CIL) Charging Schedule.
- 1.7 The Plan states that infrastructure needs were identified through engagement with relevant providers<sup>2</sup> following the selection of strategic sites. However, many projects listed under the Infrastructure Delivery Schedule (EB84) are absent of estimated costs, indicating that engagement may have been lacking and therefore contrary to the Viability PPG<sup>3</sup>.

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<sup>1</sup> EB83 – Page 1

<sup>2</sup> EB84 – Page 4

<sup>33</sup> Paragraph: 002 Reference ID: 10-002-20190509

1.8 The Inspector raised this directly at IQ16 (EX2) with Council responding as follows (EX3):

*“As stated in Section 4.4 of the ‘Infrastructure Delivery Plan Part Two: Infrastructure Delivery Schedule’, the IDP is intended to be a ‘living document’ which the council intends to update on a regular basis, with the suggested frequency being every two years. It has been less than a year since the publication of the original IDP and there have been significant political, economic, and planning changes over that period which have caused a delay in infrastructure planning and delivery. Therefore, we do not have plans to undertake a comprehensive update in the immediate future.*

*We do plan to undertake a comprehensive update in alignment with the timescales of the London Plan review. The consultation on a complete first draft of the new London Plan is currently expected by Spring 2026. Our updated IDP will inform the council’s response to the new London Plan consultation, for example in terms of the new London Plan’s list of transport schemes (the equivalent of Table 10.1 of the current London Plan).*

*Ahead of that, we can provide updates on individual schemes of interest which have been further developed since the publication of the IDP including for example, the West London Orbital Railway, heat networks and Ealing’s new regional park.”*

1.9 This response highlights that the Local Plan does not establish the costings or delivery mechanisms for a significant number of its infrastructure projects, and it is not intending to update the IDP until next year, at which point additional infrastructure may need to be considered.

1.10 We note that Inspectors have raised further concerns to the Council over this matter in their letter (EX16) dated 7<sup>th</sup> July 2025.

1.11 The Council’s response is particularly concerning given many of the uncoded projects are categorised as ‘Critical – Local Plan’ or ‘Critical – Delivery’.

- **Critical – Delivery (C-D):** Infrastructure essential to unlock development, typically involving transport and utility connections.
- **Critical – Local Plan:** Infrastructure essential to achieving Plan objectives such as addressing climate change, reducing inequality, and enabling growth; typically involving education, healthcare, and leisure.<sup>4</sup>

1.12 Ealing’s Local Plan is explicitly premised on the adoption of CIL to part-fund new infrastructure. Given the evident question to what the Local Plan will entail, and future funding of identified infrastructure, we have a reasonable basis to question both what the gap is, in justifying the adoption of the CIL levy, and more significantly the total target amount the authority proposes to raise.

1.13 The Community Infrastructure Levy PPG recognises that *“there will be uncertainty in pinpointing other infrastructure funding sources, particularly beyond the short-term. Charging authorities should focus on providing evidence of an aggregate funding gap that demonstrates the need to put in place the levy”, notwithstanding this “Charging authorities must identify the*

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<sup>4</sup> EB43 - Table 11

*total cost of infrastructure they wish to fund wholly or partly through the levy. In doing so, they must consider what additional infrastructure is needed in their area to support development, and what other sources of funding are available, based on appropriate evidence”<sup>5</sup>.*

- 1.14 In absence of robust cost estimates and delivery strategies for these critical infrastructure projects, the Plan fails to demonstrate how the infrastructure necessary to deliver the Local Plan is viable and therefore deliverable.
- 1.15 As such, it does not meet the requirements of Paragraph 34 of the NPPF, which states that Plans should set out the contributions expected from development and ensure that infrastructure requirements are both necessary and deliverable.

## **Q2 – What is the latest position on the examination of the draft Ealing LPA Charging Schedule (EB41) and does it have any implications for the soundness of the Plan?**

- 1.16 Following intervention by the CIL Examiner, Keith Holland, on 23rd May 2025, the Council agreed to postpone the CIL hearing - scheduled for 27th May 2025 - to consider concerns raised by Berkeley Homes in relation to the prematurity of the CIL examination ahead of the Local Plan examination.
- 1.17 The CIL hearing has been rescheduled for 5th August 2025 with representatives from Berkeley Homes in attendance to present our outstanding concerns.
- 1.18 Given the CIL hearing will have occurred between issue of this Hearing Statement and the September 2025 examination block, we expect the Council to report on the recommendations of the CIL Examiner, and we respectfully reserve the right to make further points on this matter.
- 1.19 We submitted our CIL representation to the Local Plan Programme Officer on 18th June 2025 to ensure the Inspectors had full visibility of our concerns, particularly regarding the Whole Plan Viability Assessment, which underpins both the Local Plan and the CIL Charging Schedule.
- 1.20 A copy of Berkeley Homes’ representation to the CIL Charging Schedule is included at Appendix 1.

## **Q3 – Does Policy FLP provide a sound approach to funding? Is the approach of leaving detail to a future SPD sound?**

- 1.21 The approach in Policy FLP(iii), which defers key detail on planning obligations and legal agreements to a future SPD is unsound. It introduces uncertainty over the Council’s infrastructure funding priorities, particularly in distinguishing between strategic and local infrastructure. This ambiguity is heightened by limb (ii), which refers to the Infrastructure Delivery Plan (EB83) which the Inspectors themselves have raised concerns over the absence of costing for many ‘Critical’ projects within your letter to the Council (EX16)

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<sup>5</sup> Paragraph: 017 Reference ID: 25-017-20190901

- 1.22 As set out in our response to Q1, we remain concerned over the deliverability of infrastructure projects in EB83 and EB84. These concerns are compounded by the apparent reliance on an undrafted SPD to clarifying infrastructure funding prioritise.
- 1.23 Paragraph 5.63 of the Local Plan states that once adopted, Ealing's CIL Charging Schedule will fund infrastructure such as transport, schools, community facilities, and health centres. It goes on to confirm that Section 106 agreements will remain necessary for affordable housing and site-specific infrastructure and development mitigation.
- 1.24 To ensure the Plan is sound, the Local Plan and its supporting Infrastructure Delivery Plan must include a clear and comprehensive breakdown of what infrastructure is to be funded through CIL, and what will be secured through Section 106 agreements. Without this distinction, Policy FLP lacks the necessary clarity and fails to meet the requirements of Paragraph 34 of the NPPF.
- 1.25 This clarity is essential to inform the future SPD and to give developers certainty over what obligations will be sought beyond those secured through CIL once adopted. The Planning Obligations PPG requires policies on planning obligations to *"be clear so that they can be accurately accounted for in the price paid for land"*<sup>6</sup> and *"the total cumulative cost of all relevant policies will not undermine deliverability of the plan"*<sup>7</sup>.
- 1.26 In line with Policy DF1 of the London Plan, flexibility must be applied to planning obligations, where viability is an issue. The following wording should be inserted to Policy FLP:

*"The Council will: (iv) require a financial viability assessment to be submitted as part of the planning application, which may be subject to independent scrutiny by appointed experts, where proposed developments do not meet planning policy requirements or do not propose to deliver required Section 106 planning obligations".*

#### **Q5 – How has viability been considered? Is there a proportionate assessment of the viability of the Plan? Is it sufficiently flexible to respond to relevant changes which may occur during the plan period?**

- 1.27 We raised significant concerns over the soundness of the Local Plan's viability evidence in our Matter 4 (Housing) Hearing Statement<sup>8</sup>. The specific details of which are set out in Section 4 of our CIL Hearing Statement (Appendix 1).
- 1.28 Our concerns relate primarily to the Whole Plan Viability Assessment (EB120) which we considered to be flawed for the following reasons: 1) the PPG specifically indicates strategic sites should be viability tested<sup>9</sup>; 2) strategic sites are key to delivering Ealing's priorities, 3) such sites regularly include abnormal costs, and 4) such sites are so large, and so complex, that they frequently face headwinds other smaller sites do not.

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<sup>6</sup> Paragraph: 004 Reference ID: 23b-004-20190901

<sup>7</sup> Paragraph 005 Reference ID: 23b-005-20190315

<sup>8</sup> Hearing Statement (Matter 4), paragraph 1.44

<sup>9</sup> Paragraph: 005 Reference ID: 0-005-20180724

- 1.29 We maintain that the Local Plan policies should be informed at a genuinely viable level. EB120 should therefore be revised to accommodate our concerns.
- 1.30 Notwithstanding this, flexibility must be throughout the Local Plan to ensure that development viability, which will inevitably fluctuate across the plan period, is able to optimise affordable housing delivery across market conditions. This approach aligns with the Viability PPG and Policy DF1 of the London Plan and will ensure that the Local Plan will remain deliverable.
- 1.31 Further flexibility will be achieved through adoption of our recommended text for Policy DF1 to refer to the submission of viability assessment at the planning application stage.
- 1.32 In addition, flexibility can be provided via application of review mechanisms endorsed by the London Plan Policy H5. It is therefore critical that the Council reverts its affordable housing threshold from 40% to 35%, an approach endorsed by the Mayor.

**APPENDIX 1 – Ealing CIL Hearing Statement**



Quod

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# **Ealing CIL Charging Schedule Examination**

Hearing Statement on  
behalf of Berkeley  
Homes (Southall)  
Limited

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MAY 2025



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# 1 Introduction

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- 1.1 Quod submitted representations on behalf of Berkeley Homes (Southall) Limited at each stage of the CIL process, with the most recent submission being via the Quod letter dated 12th November 2024.
- 1.2 Berkeley Homes (Southall) Limited is the developer of the Southall Gasworks site (now known as The Green Quarter) which is a significant strategic housing delivery location within Ealing, totalling c.8,100 homes. To date 850 homes have been completed at the site and 418 are in progress. The wider Berkeley group is one of London's largest developers, completing 19,608 homes over the last 5 years.
- 1.3 Whilst the CIL Examiner's confirmation that further representations are not required is acknowledged, it is considered appropriate to (i) highlight continuing concerns about the CIL process and its relationship to the ongoing Ealing Local Plan process (ii) confirm the impact of the recently introduced Building Safety Levy and (iii) provide further up to date evidence which indicates that issues previously highlighted with the viability inputs have only worsened in the period since the previous representations.
- 1.4 As evidenced within this statement, the request made by Quod throughout the process that strategic brownfield regeneration sites should be NIL rated for CIL remains valid. Indeed it is essential to do this (or an alternative financially equivalent approach) to enable such sites to come forward and deliver a large proportion of the local plan housing targets.

## 2 CIL and the Local Plan Process

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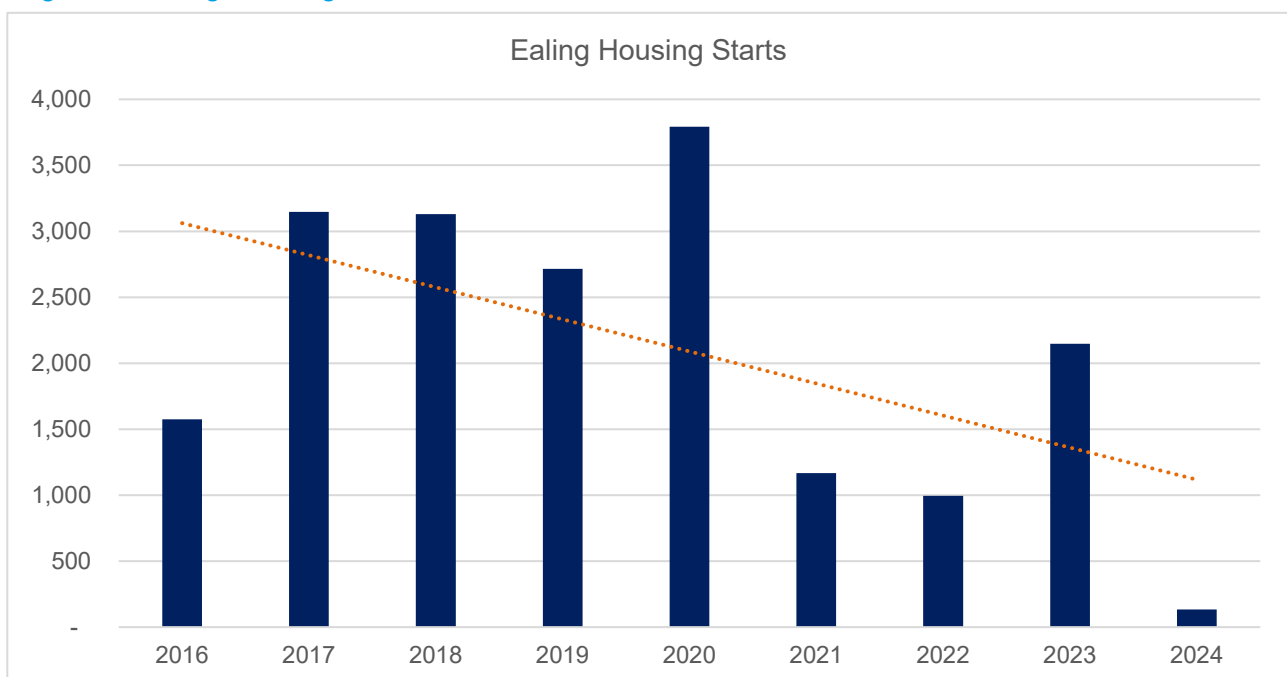
### Timing of the CIL and Local Plan Processes

- 2.1 Ealing is currently progressing a new local plan which is currently at submission (Regulation 22) stage, with an Examiner appointed and examination sessions scheduled through June and September 2025. It is understood that extensive representations have been received on matters including housing, infrastructure and viability (including from Berkeley Homes).
- 2.2 The key purpose of a CIL charging schedule is to fund infrastructure in support of an up to date local plan. National Planning Practice Guidance is clear that:
- *“Charging schedules should be consistent with, and support the implementation of, up-to-date relevant plans” (Paragraph: 011 Reference ID: 25-011-20190901).*
  - *“Information on the charging authority area’s infrastructure needs should be drawn from the infrastructure assessment that was undertaken when preparing the relevant plan (the Local Plan and the London Plan in London) and their CIL charging schedules. This is because the plan identifies the scale and type of infrastructure needed to deliver the area’s local development and growth needs” (Paragraph: 017 Reference ID: 25-017-20190901).*
  - *“The Community Infrastructure Levy examination should not re-open infrastructure planning issues that have already been considered in putting in place a sound relevant plan” (Paragraph: 017 Reference ID: 25-017-20190901).*
- 2.3 Given the above, it is critical that a final and sound local plan is in place as this determines which infrastructure a CIL charging schedule needs to fund. In this case the Ealing Local Plan is some way away from adoption and has not yet been found sound (in fact many objections exist). As such the final infrastructure requirement is unknown and the CIL process should not progress until this is known.

### 3 Viability Context and Market Change

- 3.1 The BNPP viability study supporting the CIL charging schedule is dated December 2023 and necessarily draws on evidence prior to this date. The latest representations submitted by Quod are from November 2024. As has been widely reported, the current environment for housing delivery is extremely challenging and this situation has continued to worsen since 2023/24 to the current day. The following sections briefly evidence the worsening environment and therefore the fact that the BNPP study supporting the CIL charging schedule is out of date.
- 3.2 Housing delivery is at unprecedented lows in London as a result of weakened market conditions; persistently falling since 2022. Construction starts fell to their lowest level in 14 years in 2024 – down 68% from 2015<sup>1</sup> (see Figure 1). The GLA reported that there were over 6,000 homes were under construction but were stalled at the time of reporting in London. This figure included some of the London Borough of Ealing’s own development schemes, as publicised on the Council’s website.

Figure 1: Ealing Housing Starts



- 3.3 Figure 2 illustrates the continuing decline of new build sales in Ealing, now falling to just a handful of units in the most recent period.

<sup>1</sup> Molior January 2025 Quarterly Report

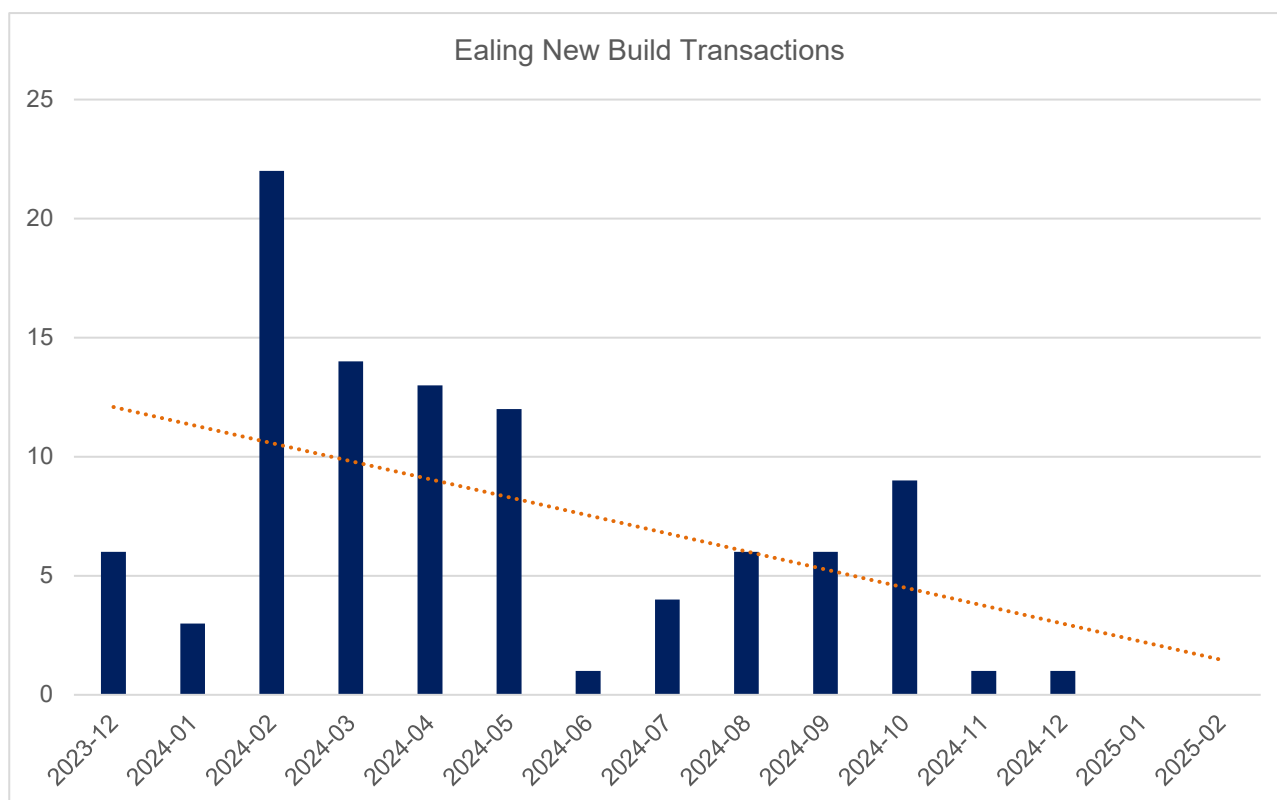


Figure 2: Ealing New Build Sales

3.4 The results of the most recent Housing Delivery Test (for 2023, published in December 2024) are shown in Table 1 below. Whilst neighbouring boroughs have similar or lower CIL rates, Ealing is outperformed by all – in most cases by a significant margin – and is the only borough requiring an action plan to increase delivery going forward. Quod maintain that indicates that Ealing faces unique challenges for development viability and delivery.

Table 1: Housing Delivery Test 2023

LPA	Homes Required 20/21- 22/23	Homes Delivered 20/21- 22/23	Measurement	Consequence
Ealing	5,750	4,847	84%	Buffer
Brent	6,198	8,136	131%	None
Hammersmith & Fulham	3,689	5,258	143%	None
Harrow	2,138	2,169	101%	None
Hillingdon	2,887	2,617	91%	Action plan
Hounslow	4,330	4,694	108%	None

# 4 Viability Evidence

- 4.1 As noted within the Quod representations dated 12<sup>th</sup> November 2024 (and representations at previous stages of the process), Berkeley consider that the BNPP viability study supporting the CIL charging schedule falls significantly short of the requirements set out in Planning Practice Guidance. In particular the adopted costs and values are not realistic / evidence based, The Green Quarter has not been tested despite being a strategic site and the total cost of policy burdens will undermine deliverability of development.
- 4.2 The following sections provide further up to date evidence supplementing that from previous representations in 2023 and 2024 and confirm costs associated with the recently introduced Building Safety Levy.

## Build Costs

- 4.3 The costs included by BNPP in the viability study (£2,745/sqm / £255/sqft for flatted development with 6+ storeys, inclusive of 10% externals) are lower than what is generally achievable for a development of the nature, quality and complexity of the Green Quarter. The figure, based on the BCIS database, does not account for recent changes in building regulations, design risks, or the specific challenges of high-density London developments, and should be treated only as a starting point – not a definitive benchmark.
- 4.4 The table below sets out build costs for a range of schemes in London that have been agreed by BNPP and developers / independent assessors. As can be seen, all of these site-specific assessments for larger brownfield regeneration schemes have concluded figures well in excess of that adopted by BNPP in the Ealing viability study. This provides clear support for the case that BNPPs build costs are unrealistic.

Table 2: Build Costs Agreed by BNPP in Recent Site-specific Assessments

Development	Date	£/sqft all in
<i>BNPP Ealing CIL Study Figure</i>	<i>Dec-23</i>	<i>£269<sup>2</sup></i>
Twelvetreets	Oct-25	£349
Beckton Riverside Ph1	Jan-25	£340
Bromley By Bow	Nov-23	£399
Stag Brewery	Oct-24	£343

- 4.5 Berkeley has also commissioned cost consultants Core5 to prepare a benchmarking report to provide further evidence in support of establishing realistic cost inputs. This uses data from

<sup>2</sup> This is an all-in cost, reflecting the £255/sqft referred to in paragraph 4.3 plus policy costs (Biodiversity Net Gain, Zero Carbon etc.)

comparable schemes and indicates a rate of c.£341/ft<sup>2</sup><sup>3</sup> (including external works), provided at Appendix 1.

- 4.6 Given the above, the CIL study viability would under-state costs by at least c.£70/ft<sup>2</sup> (£340/ft<sup>2</sup> current market figure less £270/ft<sup>2</sup> BNPP input) which would amount to £410m over a development of the scale of The Green Quarter.

## Abnormals / Infrastructure

- 4.7 Quod raised the principle of the abnormal costs omission in April 2024; BNPP's viability assessment excludes abnormal costs, which is a significant omission given the scale and nature of The Green Quarter i.e. a former gasworks site with extensive remediation requirements. This will also apply to other strategic developments. The Plan itself acknowledges the major public benefit of regenerating this contaminated land, recognising the substantial costs involved.
- 4.8 Failure to include any abnormal costs within the assessment means that the assumed position for most strategic sites will be inaccurate, ultimately curtailing the housing delivery aspirations of the emerging Ealing Local Plan.
- 4.9 Quod submitted further evidence in November 2024, showing that the infrastructure, abnormals, and financial contributions to make the development acceptable amount to c.£343m (equating to an approximate figure of £42,000 per dwelling across 8,100 homes).

## Regulatory Costs

- 4.10 The Building Safety Levy rate, published in March 2025, is set at £33.24/sqm for Previously Developed Land in Ealing. The rate is to be applied to all new dwellings and purpose-built student accommodation which require a building control application. The rate would amount to c.£10.9m over the remaining homes to be delivered at The Green Quarter.

## Intermediate Housing Tenure

- 4.11 Ealing's Housing Strategy Consultation Draft states *"the only three genuinely affordable tenures housing for the majority of households on average incomes are Social Rent, London Affordable Rent, and London Living Rent... We recognise the potential value that other tenures, such as shared ownership, can bring to housing markets but this does not meet our definition of 'genuinely affordable' across most of the borough"* (page 15, para 2.5 and page 21, para 3.4).
- 4.12 There is a clear preference for intermediate housing to be delivered as London Living Rent, however BNPP are working on the assumption of Shared Ownership delivery (valued at £435/sqft). As stated by the Council in their draft strategy, London Living Rent is more affordable than Shared Ownership, and this is reflected in a lower achievable capital value

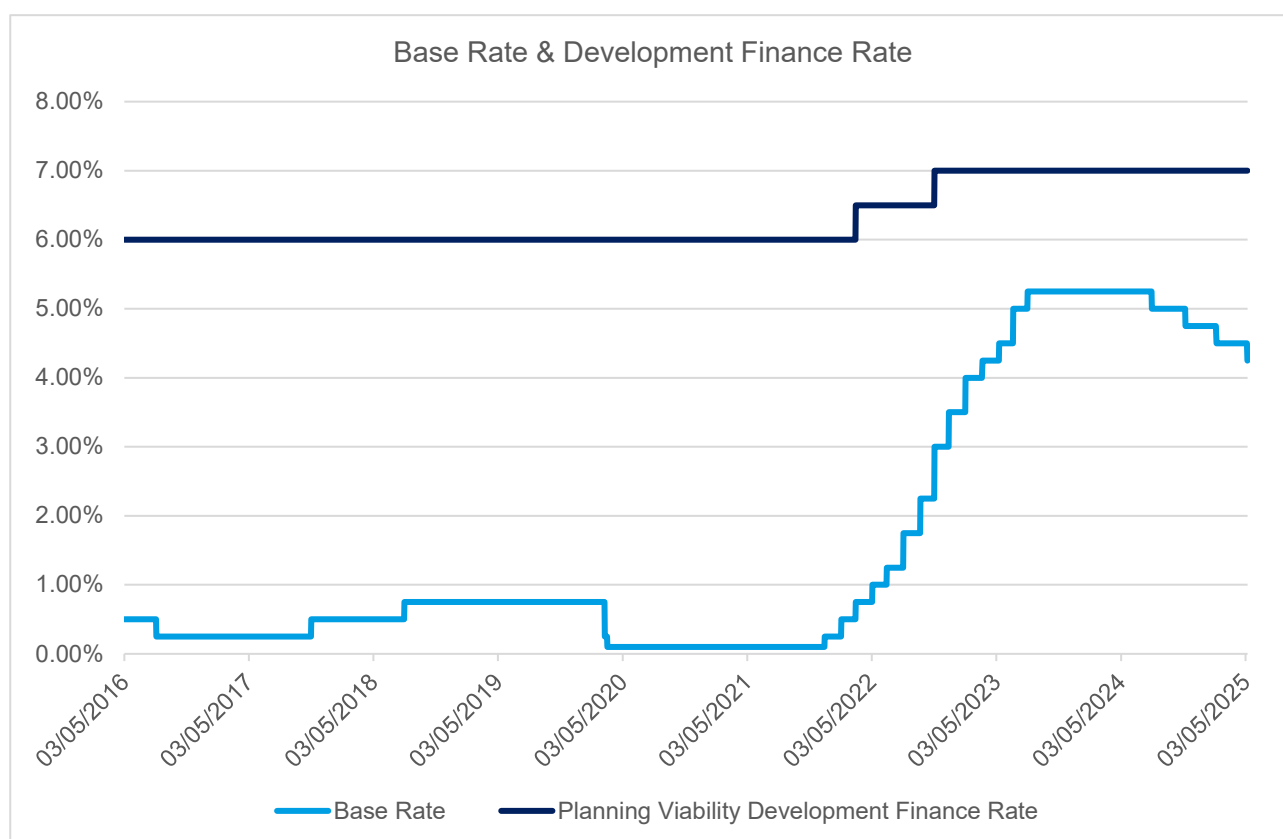
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<sup>3</sup> This reflects the residential value (indexed to current day) adopted by BNPP in their assessment.

(c.£241/sqft). The affordable housing modelled by BNPP does not align to the Council's tenure preference, and is overstating the GDV.

## Finance Costs

- 4.13 BNPP assume that development finance can be secured at a rate of 6%, inclusive of arrangement and exit fees. They contend this is reflective of medium-term funding expectations.
- 4.14 Pre-interest rate growth (starting in 2022) when the base rate was 0.1%, development finance was typically agreed at 6%, equating to a margin in the region of 5-6%. The margin is the additional percentage points a lender adds to the base rate to determine the final interest, which reflects the lender's operating costs, profit, and assessment of risk.
- 4.15 When the Viability Study was first published in December 2023 the rate of 6% left a margin of 0.75% above the base rate, increasing marginally to 1.75% as of 9<sup>th</sup> May 2025 as it has fallen from its peak. This is significantly smaller than the margin that which has been widely accepted by both developers and LPAs in for a sustained period of time preceding interest rate growth.
- 4.16 BNPP state that the 6% rate is reflective of medium-term funding conditions. The Base Rate is expected to stabilise around 3-3.5% in the mid to long term; equating to a margin of 2.5-3%. Such a rate – specifically the margin it implies – is simply not reflective of past, present, or future financing conditions.





4.17 Furthermore, a number of schemes have agreed finance rates well in excess of 6%, which clearly evidences a consensus between developers and LPAs / their independent assessors that the finance rate should be increased beyond 6% to reflect financing conditions. A selection of schemes where viability has been agreed is set out below.

**Table 3: Agreed Finance Rates**

Scheme	Date	Agreed Finance Rate
Friars Close, Bear Lane, Southwark	July 2024	7.5%
Colebrook Court, 75 Sloane Avenue, RBKC	July 2024	8.5%
Bridge House, Bridge Close, North Kensington, RBKC	July 2024	7.5%
28-34 Queensway & Olympia Mews, Westminster	Sept 2023	9.5%
Highwood Farm, Stortford Road, Great Dunmow, Uttlesford	Sept 2023	8.25%
66-68 London Road, Tooting, Merton	July 2023	9.50%
32-44 Keeley Road & 31-57 Drummond Road ('Citiscap'), Croydon	March 2023	7-8.5%

## Risk and Profit

4.18 BNPP have adopted a target return of 17.5% on GDV for private residential housing. The developer return allowed for reflects the level of risk incurred by the developer; PPG states that 15-20% of GDV may be considered a suitable return to developers.

4.19 Schemes of the size, nature, and location of The Green Quarter are fundamentally different from the majority of schemes due to the fact that there is a need to create a new destination and market and an inherent risk in achieving this: 20% on GDV for private residential is the minimum net return for such a scheme.

4.20 The Mayor's Affordable Housing and Viability SPG (2017) also allows for consideration of IRR as an approach to measuring profit, alongside profit as a factor of GDV or GDC. An IRR threshold of 17.5% is necessary to adequately reflect the risk profile and capital exposure associated with this type of development (as set out above). A 17% IRR is consistent with market expectations for schemes of comparable scale, complexity, and risk, for example Greenwich Peninsula which also includes a similar level.

## Viability Testing

4.21 In summary, BNPP's appraisal is unrealistic in a number of areas as identified in previous representations. As evidenced within this note, the position has only worsened recently.

4.22 Quod have tested the lower end of the ranges evidenced within this note to illustrate the scale of the difference between BNPP's assumptions and realistic market levels for larger urban brownfield regeneration in Table 4 below (appraisals provided at Appendix 2).

Table 4: Sensitivity Testing Overview

Input	BNPP Assumption (Dec 23) Underpinning the CIL viability study	Appropriate Input as Evidenced within this Report	Impact on the 500- Unit Scheme Tested by BNPP
LLR / SO	£430/sqft Shared Ownership	£241/sqft London Living Rent	- £7.9m
Build Costs	£270/sqft (all in)	£340/sqft (all in)	- £30m
S106	c.£6,000/unit	£42,000/unit	- £18m
Abnormals, Infrastructure	£0/unit		
Building Safety Levy	Excl	£	-£0.8m
Finance	6%	7.5%	- £7.7m (minimum) <sup>4</sup>
<b>Total</b>			<b>£64.4m</b>

4.23 On the basis of the inputs set out above – which are at the lowest end of the ranges evidenced within those note – there is a £56.5m cost understatement and £7.9m value overstatement in a 500-unit appraisal (totalling a £64.4m worsening in the appraisal output). The scaled-up difference, on the basis of the 6,832 homes that are yet to be constructed at The Green Quarter, is £880m.

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<sup>4</sup> Once the Residual Land Value becomes negative, the finance cost accrued on land value becomes negative (i.e. treated as revenue), therefore the full extent of the finance cost increase is understated in the model.

## 5 Conclusion

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5.1 As evidenced within this note:

- The CIL charging schedule process has been progressed in advance of certainty as to what infrastructure is required to support the Local Plan. This is procedurally incorrect and the CIL rates should be set following adoption of the plan.
- The BNPP viability study underpinning the CIL charging schedule is flawed, does not meet the requirements of PPG and over-states the viability of a site such as The Green Quarter by over £880m.
- Market indicators since the BNPP viability study underpinning the CIL charging schedule and the previous Quod representations have continued to decline. Development and residential sales have stalled in Ealing, indicating worsening viability challenges.

5.2 The above demonstrates that Quod's previous conclusions made in representations to date are correct; the addition of the proposed CIL would seriously threaten the delivery of brownfield regeneration and strategic sites which the local plan is reliant on.

5.3 **The charging schedule should be amended to apply a NIL rate to strategic brownfield regeneration sites within the Borough such as The Green Quarter.**



## Appendix 1

### Core 5 Cost Benchmarking

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## THE GREEN QUARTER, SOUTHALL

Report on Residential Benchmarks

May 2025

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## 1. Executive Summary

This report contains our review of BNP Paribas Real Estate build-cost for Green Quarter based on the reports and information as listed on the schedule of information included in Appendix B of this report.

The below BNP Paribas costs have been adjusted for inflation from Q4 2023 to Q2 2025 to align with the the C5 Benchmark current day costs. The inflation has been calculated using BCIS TPI as below:

BNP Paribas Build-cost dated December 2023		£2,495 /m <sup>2</sup>
BCIS Q4 2023 TPI	386	
BCIS Q2 2025 TPI	401	4%
Adjusted BNP Paribas Build-cost (Q2 2025)		£2,592 /m <sup>2</sup>

The below table summarises the comparative construction build-cost rates between the information provided in BNP Paribas Real Estate report dated December 2023 and the benchmark information in Appendix A of this report.

	BNP Paribas	C5 Benchmark
<b>Build cost (incl. MC Prelims and OH&amp;P) £/m2</b>	<b>£2,592</b>	<b>£3,337</b>
<b>Build cost (incl. MC Prelims and OH&amp;P) £/ft2</b>	<b>£241</b>	<b>£310</b>

When preparing this report a number of assumptions have been made, which are included in Section 2 of this report. It should be noted that the above excludes external works, contingency, professional fees, VAT, and other items listed in Section 2 of this report.

Further detail regarding examples of comparable projects that have been utilised as the source of our benchmarking data and key design metric can be found in Appendix A of this report.



## 2. Pricing Notes, Assumptions & Exclusions

### 2.1 Pricing Notes & Assumptions

- This report is based upon the information listed in Appendix B of the report.
- The benchmark cost rates have been updated to current day fixed price basis (Q2 2025 price levels) and have been adjusted to a common location factor of Outer London, Southall
- Benchmark cost rates are for residential build costs (above ground shell & core and fit-out) based on a sales value of circa £800 / sqft NSA and include for main contractor on-costs (i.e. preliminaries and OHP), but exclude items as listed in Section 2.2 below.

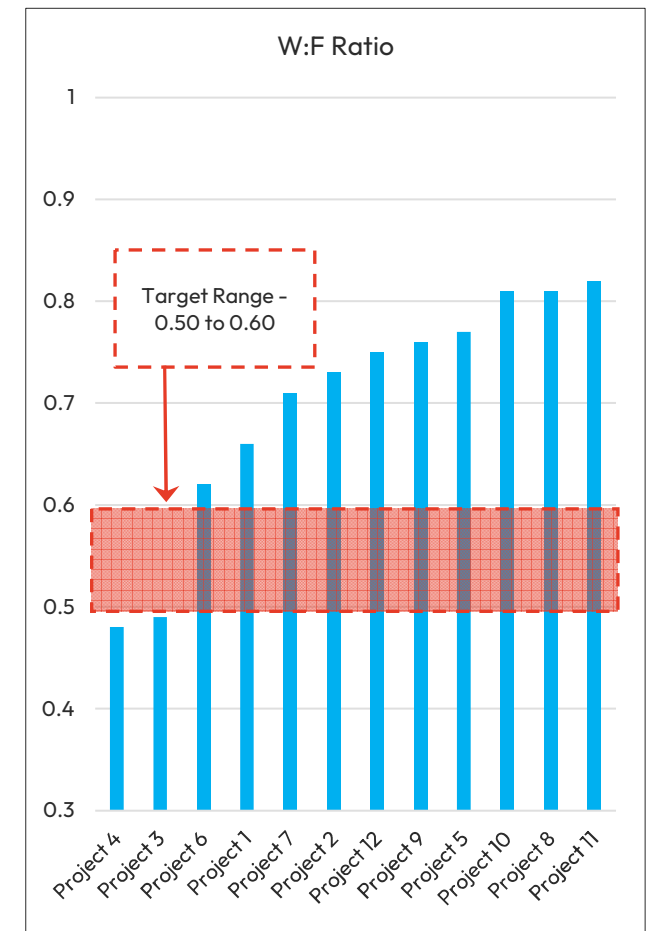
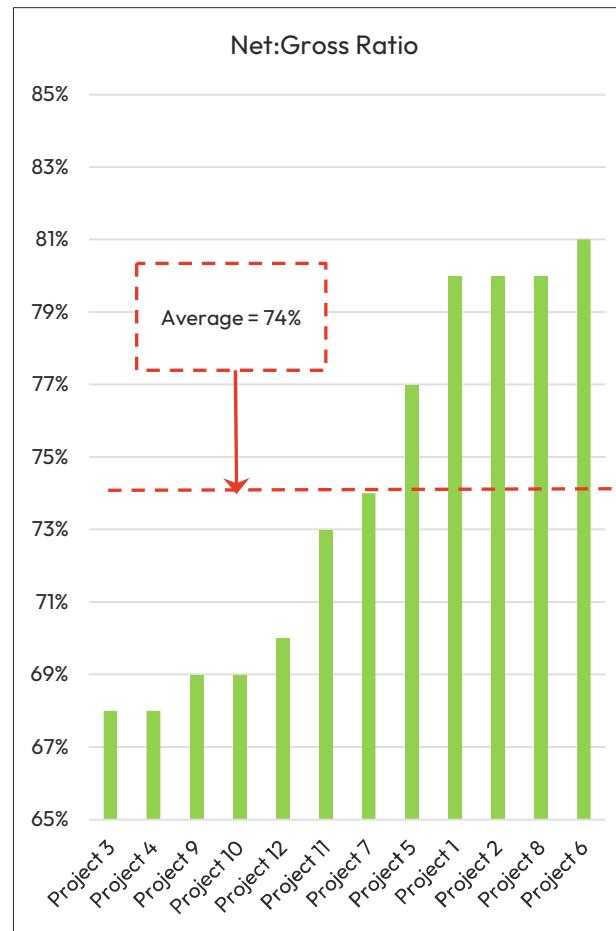
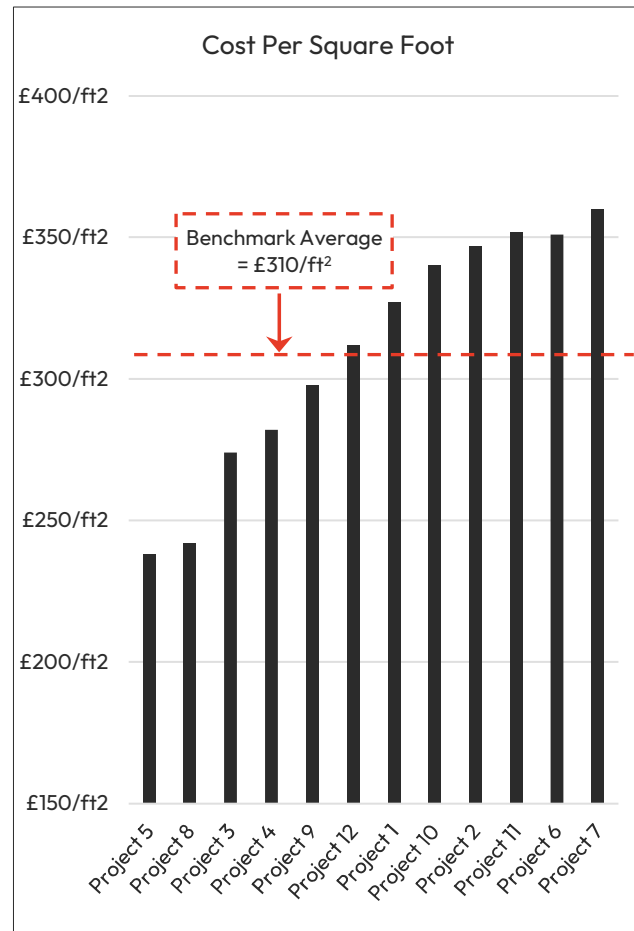
### 2.2 Exclusions

- Future Inflation to start on site beyond Q2 2025
- External works, landscaping and infrastructure costs
- Site acquisition fees / costs
- Client Finance charges, developer's costs and profit
- Project and other Client insurances
- NHBC / BLP type warranties
- Post completion maintenance agreements
- Planning consultant fees
- Pre-Contract Design & Post Contract Client Monitoring Team Fees
- Third party fees/costs
- Legal advisor fees
- Statutory fees
- Building control fees
- Clerk of works
- Independent Commissioning Management / Validation Engineer
- Site surveys incl. topographical survey
- Monitoring of adjacent buildings/structures over and above standard noise, dust and movement monitoring.
- Wind studies
- Archaeology works (including Consultants fees, investigation and attendance costs or resultant delays/ disruption)
- Flood risk assessment
- Transport plan
- Geotechnical surveys
- Environmental surveys
- Rights of Light Award incl. fees
- Party wall awards
- Pre-application meeting fees
- Planning application fee
- Planning condition discharge fees & costs
- Works & payments associated with Section 106 and 278 agreements; road stopping up, public art, CIL payments etc.
- Local Authority charges, road closures and diversions, etc.
- Value Added Tax
- Non-Recoverable VAT
- Credits for capital allowances or other incentives/grants
- Carbon Tax
- Show floors, show apartments, room mock-ups and marketing suites; any other marketing costs (including brochures, etc.)
- Marketing/letting costs, legal fees, presentation material, tenant contributions.
- Oversailing licences
- Feature cladding to hoarding
- Loose fixtures, furnishings and equipment to apartments such as sofas, beds etc to make them habitable & amenity
- Design and Construction Risk Contingencies
- Any necessary reinforcement / upgrade and diversion of services infrastructure
- Out of hours working, construction voids and the like.
- Changes to statutory authorities or buildings regulations beyond those known at the time of the estimate.



## Appendix A - Benchmark Residential Build Cost Rates

	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	Project 9	Project 10	Project 11	Project 12
GIA - ft <sup>2</sup>	34,713	34,735	43,918	44,736	52,252	90,525	99,257	126,242	91,117	59,590	42,367	40,010
Cost Per ft <sup>2</sup>	£327	£347	£274	£282	£238	£351	£360	£242	£298	£340	£352	£312
Net:Gross Ratio	80%	80%	68%	68%	77%	81%	74%	80%	69%	69%	73%	70%
Wall: Floor Ratio	0.66	0.73	0.49	0.48	0.77	0.62	0.71	0.81	0.76	0.81	0.82	0.75



## Appendix A - Residential Benchmarks - Comparable Projects



Grand Union,  
London  
Client: St George



Wandsworth Exchange,  
London  
Client: L&Q



Woolwich Central,  
London  
Client: Meyer Homes



Alperton Yards,  
London  
Client: Greenstone / Telford Homes



Hale Wharf,  
London  
Client: Muse Developments



Britannia Residential,  
London  
Client: London Borough of Hackney



Woodberry Down,  
London  
Client: Berkeley Homes



Kindred House,  
London  
Client: Meadow Partners

## Appendix B - Basis of Information used for preparation of Report

Source	Document Type		Title	Date Received
	PDF	DWG		
BNP PARIBAS	■		Local_Plan_Reg_19_and_CIL_Viability_Assessment_Dec_2023_acc3	23/04/2025
JTP		Excel	TGQ Revised Masterplan Area Schedule Apr 25	28/04/2025
JTP	■		DESIGN_AND_ACCESS_STATEMENT-4083124	28/04/2025



## Appendix 2

### **BNPP and Quod Appraisals**

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TGQ  
BNPP Inputs

Development Pro Forma  
Quod  
May 14, 2025

TGQ

BNPP Inputs

Project Pro Forma for Phase 1

Currency in £

## REVENUE

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Flats (Private)	300	203,438	755.86	512,569	153,770,836
Flats (Social Rent)	140	94,938	194.45	131,862	18,460,694
Flats (Shared Ownership)	60	40,688	434.97	294,964	17,697,842
<b>Totals</b>	<b>500</b>	<b>339,064</b>			<b>189,929,372</b>

## Rental Area Summary

	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Supermarket	1	1,830	25.55	46,758	46,758	46,758
Light Industry	1	9,149	20.44	187,014	187,014	187,014
<b>Totals</b>	<b>2</b>	<b>10,979</b>			<b>233,772</b>	<b>233,772</b>

## Investment Valuation

## Supermarket

Market Rent	46,758	YP @	4.7500%	21.0526	
(6mths Rent Free)		PV 6mths @	4.7500%	0.9771	961,797

## Light Industry

Market Rent	187,014	YP @	5.0000%	20.0000	
(1yr Rent Free)		PV 1yr @	5.0000%	0.9524	3,562,166

## Total Investment Valuation

4,523,963

## GROSS DEVELOPMENT VALUE

194,453,335

## TGQ

## BNPP Inputs

## TOTAL PROJECT REVENUE

194,453,335

## DEVELOPMENT COSTS

## ACQUISITION COSTS

Residualized Price (1.44 Acres @ 1,508,933.09 /Acre)

2,172,864

2,172,864

## CONSTRUCTION COSTS

## Construction

ft² Build Rate ft²

Cost

Supermarket 2,153 214.98 462,852

Light Industry 10,764 128.30 1,381,021

Flats (Private) 271,251 231.79 62,873,269

Flats (Social Rent) 126,584 231.79 29,340,905

Flats (Shared Ownership) 54,250 231.79 12,574,607

**Totals 465,002 ft² 106,632,655**

S106 - Resi 500 un 5,000.00 /un 2,500,000

S106 - Commercial 12,917 ft² 2.32 29,967

S278 - Resi 500 un 1,000.00 /un 500,000

S278 - Commercial 12,917 ft² 2.32 29,967

BCIL - Resi 271,251 ft² 29.22 7,925,954

BCIL - Supermarket 2,153 ft² 33.87 72,922

BCIL - Industry 10,764 ft² 12.96 139,501

MCIL2 284,168 ft² 6.00 1,705,008

119,535,976

## Other Construction Costs

External Works 10.00% 10,663,266

Zero Carbon and BREEAM 5.00% 5,331,633

M4 (2) accessible and adaptable 1.15% 1,205,071

M4 (3) (a) wheelchair adaptable 583,463

M4 (3) (b) wheelchair accessible 396,940

Biodiversity Net Gain 0.20% 213,265

**PROJECT PRO FORMA****QUOD****TGQ****BNPP Inputs**

Affordable Workspace Contribution		46,848	
Urban Green Factor / green roof		48,730	
			18,489,216

**PROFESSIONAL FEES**

Professional Fees	10.00%	10,663,266	
			10,663,266

**MARKETING & LEASING**

Resi Marketing & Agent Fees	2.50%	4,748,234	
Resi Legal fee	0.25%	474,823	
Commercial Sales Agent Fee	1.00%	45,240	
Commercial Sales Legal fee	0.50%	22,620	
Commercial Letting Agent & LegalFee	15.00%	35,066	
			5,325,983

**MISCELLANEOUS FEES**

Profit - Private	17.50%	26,909,896	
Profit - Affordable	6.00%	2,169,512	
Profit - Commercial	15.00%	678,594	
			29,758,003

**TOTAL COSTS BEFORE FINANCE****185,945,306****FINANCE**

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)			
Land		266,569	
Construction		6,901,536	
Other		1,339,923	
Total Finance Cost			8,508,028

**TOTAL COSTS****194,453,335**



TGQ

BNPP Inputs

PROFIT

0

**Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	0.12%
Equivalent Yield% (Nominal)	4.95%
Equivalent Yield% (True)	5.10%
IRR% (without Interest)	4.66%
Profit Erosion (finance rate 6.000)	N/A

TGQ  
Input Sensitivity

Development Pro Forma  
Quod  
May 14, 2025

TGQ  
Input Sensitivity

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Flats (Private)	300	203,438	755.86	512,569	153,770,836
Flats (Social Rent)	140	94,938	194.45	131,862	18,460,694
Flats (LLR)	<u>60</u>	<u>40,688</u>	241.00	163,428	<u>9,805,688</u>
<b>Totals</b>	<b>500</b>	<b>339,064</b>			<b>182,037,217</b>

Rental Area Summary

	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Supermarket	1	1,830	25.55	46,758	46,758	46,758
Light Industry	<u>1</u>	<u>9,149</u>	20.44	187,014	<u>187,014</u>	<u>187,014</u>
<b>Totals</b>	<b>2</b>	<b>10,979</b>			<b>233,772</b>	<b>233,772</b>

Investment Valuation

**Supermarket**

Market Rent	46,758	YP @	4.7500%	21.0526	
(6mths Rent Free)		PV 6mths @	4.7500%	0.9771	961,797

**Light Industry**

Market Rent	187,014	YP @	5.0000%	20.0000	
(1yr Rent Free)		PV 1yr @	5.0000%	0.9524	3,562,166

**Total Investment Valuation**

**4,523,963**

GROSS DEVELOPMENT VALUE

**186,561,180**

**PROJECT PRO FORMA****QUOD**

TGQ

Input Sensitivity

**TOTAL PROJECT REVENUE****186,561,180****DEVELOPMENT COSTS****ACQUISITION COSTS**

Residualized Price (Negative land)

(58,909,287)

(58,909,287)

**CONSTRUCTION COSTS****Construction**

	<b>ft²</b>	<b>Build Rate ft²</b>	<b>Cost</b>	
Supermarket	2,153	214.98	462,852	
Light Industry	10,764	128.30	1,381,021	
Flats (Private)	271,251	340.00	92,225,340	
Flats (Social Rent)	126,584	340.00	43,038,560	
Flats (LLR)	<u>54,250</u>	<u>340.00</u>	<u>18,445,000</u>	
<b>Totals</b>	<b>465,002 ft²</b>		<b>155,552,773</b>	<b>155,552,773</b>

Infrastructure / Abnormals / S106

500 un 42,000.00 /un 21,000,000

BCIL - Resi

271,251 ft² 29.22 7,925,954

BCIL - Supermarket

2,153 ft² 33.87 72,922

BCIL - Industry

10,764 ft² 12.96 139,501

MCIL2

284,168 ft² 6.00 1,705,008

30,843,386

**Other Construction Costs**

Affordable Workspace Contribution

46,848

Building Safety Levy

271,251 ft² 3.08 835,453

882,301

**PROFESSIONAL FEES**

Professional Fees

10.00% 15,555,277

15,555,277

**PROJECT PRO FORMA****QUOD****TGQ****Input Sensitivity****MARKETING & LEASING**

Resi Marketing & Agent Fees	2.50%	4,550,930	
Resi Legal fee	0.25%	455,093	
Commercial Sales Agent Fee	1.00%	45,240	
Commercial Sales Legal fee	0.50%	22,620	
Commercial Letting Agent & LegalFee	15.00%	35,066	
			5,108,949

**MISCELLANEOUS FEES**

Profit - Private	17.50%	26,909,896	
Profit - Affordable	6.00%	1,695,983	
Profit - Commercial	15.00%	678,594	
			29,284,474

**TOTAL COSTS BEFORE FINANCE****178,317,873****FINANCE**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)			
Land		(8,074,643)	
Construction		14,622,053	
Other		1,695,900	
Total Finance Cost			8,243,310

**TOTAL COSTS****186,561,182****PROFIT****(2)****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%

**TGQ****Input Sensitivity**

Development Yield% (on Rent)	0.13%
Equivalent Yield% (Nominal)	4.95%
Equivalent Yield% (True)	5.10%
IRR% (without Interest)	6.28%
Profit Erosion (finance rate 7.500)	N/A