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Mr Daniel Watton
Mayhunt Limited
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Our ref: U0023430/JBR

13th December 2023

Our Ref: U0023999/JBR

Dear Daniel

**16-24 Whitfield Street and 55 Tottenham Court Road, Fitzrovia
Global Holdings Management Group (UK) Ltd
BPS Financial Viability Review**

On 16th November 2023, BPS submitted their independent viability review of Gerald Eve's (GE) Financial Viability Assessment (FVA) for 55 Tottenham Court Road, & 16-24 Whitfield Street ("the Scheme").

Although many of the inputs included within GE's FVA were agreed by BPS, the fundamental difference is the applied office income; most notably, through the applied yield which impacts both the gross development value (GDV) and the benchmark land value (BLV). Consequently, their overall viability position was impacted, concluding that the Scheme could viably support a full Payment in Lieu of housing at £600,000 and an increase in the affordable workspace from 10 to 15 years.

BPS state that for the office GDV *"Whilst we consider GE's rental and yield assumptions to only be marginally pessimistic, we consider their rent free/ void periods to be out of kilter with the available market evidence."* And *"We consider GE's yield assumptions to be optimistic in comparison to the proposed scheme"*.

Gerald Eve's Viability Position

Upon review of the BPS report and after discussions with Savills and Bluebook regarding the investment and lettings market, we are confident our original FVA assumptions are robust and maintain our viability position as per the FVA submitted. We consider we have reasonable evidence that the commercial conclusions based on applied inputs by BPS do not reflect current market conditions and consider these could be challenged if instructed to do so.

Notwithstanding the disagreement in evidence, GE understand that the Applicant has taken the commercial decision to progress with a positive recommendation to Planning Committee and a without prejudice offer a full Payment in Lieu of housing at £600,000 and an increase in the affordable workspace from 10 to 15 years.

If the offer is considered unacceptable or the application refused at planning committee, we recommend that the Applicant reserves the right to challenge the evidence and assumptions applied by BPS in assessment of the Scheme to ensure an appropriate and reasonable position is resolved and that they notify the Council of this.

Kind regards

Yours sincerely



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