

Appendix 2 – Heads of Terms for Development Agreement Southall Park Avenue and Milan Road

1. Parties:

Ealing Borough Council (LBE) (the Seller)

Paragon Asra Housing Ltd (PAH) (the Buyer)

2. Definitions:

Sale price: £[X]m (exact amount TBC – inc / exc **VAT** requires clarification)

Required Housing Zones Affordable Units: 31 London Affordable Rent units and 39 London Shared Ownership Units that must be provided by the Buyer without application for further grant funding from the GLA.

Target Scheme Outputs: A scheme that delivers 530 housing units of which 85% are affordable homes.

Financial test: Test to establish whether a Viable Scheme can be provided the agreed inputs to which are set out in Schedule XXXX.

Viable Scheme: A scheme that complies with PA Housing's internal financial hurdle rates as detailed in Schedule XXX and delivers a minimum land price to LBE

Start on Site Milestone: 31st March 2023

3. General terms of the Development Agreement:

- The Seller will sell and the Buyer will buy land parcels with title numbers xxx and xxx identified on the attached plans subject to the conditions set out in Clauses XX to YY.
- The Seller's reasonably incurred costs identified in Schedule XX that cannot be reclaimed against GLA grant funding drawn down will be met by the Buyer.
- The Buyer commits to progressing the scheme to obtain a Satisfactory Planning Consent by [July 2022].
- The Buyer commits to the inclusion of its land at Milan Road Southall (subject to Vacant Possession) within the development scheme with a view to achieving the Target Scheme Outputs.
- The Buyer will own and manage (or secure management of) all residential and commercial properties within the development.

- The management of public realm is to be agreed between the Buyer and the Council's Highways Department and secured through s278 agreement.
- A nominations agreement is in place between the Seller and the Buyer (subject to planning)
- The Seller will grant a Building Licence (attach draft form) within one month of the notification by the Buyer, assuming all conditions precedent had been met, in order to permit the commencement of the development scheme.
- The Buyer will pay the Seller's reasonable costs on signature of the DA and will pay the Sale price to the Seller at the Unconditional Date.
- Approval of the Board of Paragon Asra Housing Ltd
- Approval of Ealing London Borough Council (Delegated to Executive Director of Place via Cabinet December 2020)
- Completion of GLA grant funding contracts (with PAH re new funding and with Ealing re existing grant funding)

4. Conditions precedent to Unconditional DA:

- Vacant Possession of the Seller's land
- VP of buyer's land – agreed strategy has been achieved
- Completion of works to pedestrian and cycle bridge
- Satisfactory Planning Consent obtained (S106 to be entered into)
- Agreement of Public Realm Strategy with Ealing Council
- Nominations agreement in place
- Satisfaction of the Financial Test to ensure a Viable Scheme
- Title

Longstop date for satisfaction of CPs (31st March 2023)

5. Conditions precedent to Completion of Sale:

- The development scheme has reached Golden Brick stage.

Longstop date for satisfaction of CPs [31st March 2024]